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Latin America

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Today's edition of the Soviet Union DAILY REPORT supplement "Chernobyl Incident" will be the last of the special series that began on 7 May. Further reportage and comment on this nuclear accident will be published in the relevant regular volumes of the DAILY REPORT.

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GROUP SUPPORTS PARAGUAY'S DEMOCRATIZATION

PY141932 Paris AFP in Spanish 0307 GMT 14 May 86

[Text] Buenos Aires, 13 May (AFP) -- The Latin American Coordinating Group, a regional forum for the defense of immigrants, today called on the Argentine people to support all actions in support of democratization in Paraguay. The Coordinating Group thus publicly announed its active support of the legitimate struggle of the Paraguayan people against the infamous dictatorship that for 32 years has been cowardly committing abductions, thefts, and assassinations in Paraguay. This can be read in a statement the group delivered to the press today.

With the proceeds of voluntary contributions from Bolivians, Chileans, Uruguayans, and Paraguayans residing in Bueno Aires and its environs, 5,000 posters repudiating President General Alfredo Stroessner and encouraging the Paraguayan people will be put up around the city. The Latin American Coordinating Group is asking people not to destroy or deface the posters, but rather to take care of these posters that will herald the tyrant's downfall.

ALIDE REPORTS 10 YEAR DEVELOPMENT BANK GROWTH

FL081829 Mexico City NOTIMEX in Spanish 0245 GMT 8 May 86

[Text] Mexico City, 7 May (NOTIMEX) -- The Latin Americn Association of Financial Institutions for Development [Alide] has reported that 75 percent of Latin American development banks's total assets are concentrated as follows: 36 percent in Brazil, 28 percent in Mexico, and 11 percent in Argentina. This distribution corresponds with the degree of development reached by these three countries, in accordance with their participation in Latin America's gross national product.

Alide indicated that Latin American and Caribbean development banks grew at an annual average rate of 7 percent during the last 10 years. The development bank growth was much greater in those locations where the loans are directed at several productive sectors. However, the operational growth of financial institutions dealing in specialized development differed according to the productive sectors at which their credits and other complementary operations are geared for project financing. Thus, it has been noted that specialized development banks in the agricultural and livestock sector grew by 12.5 percent a year during the period 1975-1985, while specialized institutions in the construction and mortgage sectors grew by a 5.6 percent annual rate during the same period.

The financial aid granted by development banks was mainly aimed at the agricultural-livestock and industrial sectors by 28 and 23 percent, respectively, of the total amount of loans for the 1975-1985 period. The construction and mortgage sector received 11 percent of the total loans while activities related to the foreign trade sector benefited by 6 percent.

BRIEFS

STEEL COOPERATION COMMITTEE CREATED -- Brazil, Argentina, Mexico, Nicaragua and Venezuela have created a Steel Cooperation Committee with the SELA, the Latin American Economic System. The committee's objective is to implement channels for cooperation and coordination within the steel sector. [Excerpt] [Brasilia Radio Nacional da Amazonia in Portuguese 1000 GMT 10 May 86 PY]

CNEA PRESIDENT ON REACTIVATING NUCLEAR PROJECTS

PY140137 Buenos Aires TELAM in Spanish 1357 GMT 13 May 86

[Text] Cordoba, 13 May (TELAM) -- National Commission for Atomic Energy (CNEA) President Alberto Constantini has said that the 1986 budget will permit the reactivation of all CNEA projects, adding that in late 1987 or early 1988 the heavy water plant in Arroyito, Neuquen Province, will be completed.

While speaking to the press, Constantini, who had attended the Cordoba lectures devoted to atomic energy, expressed his confidence that the work on the third nuclear power plant, Atucha II, will progress steadily during 1986 and 1987.

Constantini stated that the 1986 CNEA budget is in the order of $720 million, and that in 1987 the budget could total $900 million in order to continue the Atucha II project. He recalled that the contracts on the two most important projects (Atucha and the heavy water plant), which were vitually paralyzed, have been renegotiated and a new timetable drawn up.

Constantini also ruled out delays in the Radioisotopes Center project which will be erected in Embalse, Cordoba Province, stating that we are implementing the basic engineering work and the planning state has been completed.

Concerning security at the nuclear plants, Constantini emphasized that we have arrived at the conclusion that the Chernobyl (Soviet Union) accident could never have happened here because, among other reasons, we have three safety barriers [barreras de proteccion] which they (the Russians) lack, namely the pressure vessel [calota], which contains the fuel, a 4-cm thick steel cladding [esfera de contencion], and finally a prestressed concrete container [cubierta de hormigon pretensado]. The Russian cost projection for a power plant is $200 per KWH and we have built a power plant at a cost of $2,500 per KWH.

BOMBS EXPLODE AT POLICE OFFICERS HOMES

PY140243 Buenos Aires TIEMPO ARGENTINO in Spanish 10 May 86 p 2

[Text] Two bombs exploded last night at the homes of Jujuy Province police officers, while another bomb was defused inside the Congress Building near the office of Deputy Governor Fernando Venancio Cavana.

The bombs, all similar in type, went off at the homes of Jujuy police inspectors Justiniano Erazo and Raul Ramirez, located in Mariano Moreno and 18 de Noviembre districts respectively.

The police did not report the bombings but it was learned that an anonymous caller from "parapolice command" alerted the duty officer of the newspaper EL TRIBUNO.

Alerted by EL TRIBUNO journalists shortly after 2200, firemen found an ammonia gelatin stick on the balcony of the deputy governor's office. It was reported, however, that there was no chance that the device could have gone off because of a faulty detonator.

COMMUNIQUE ISSUED ON SARNEY CAPE VERDE VISIT

PY141351 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 May 86 p 9

[By special correspondent to Cape Verde Carlos Eduardo Lins da Silva]

[Excerpt] The Brazilian and Cape Verdian Governments have issued a joint communique on the talks 65-year-old President Jose Sarney held with President Aristides Pereira during the visit the Brazilian chief of state paid to Cape Verde. In the communique, the two government's "rejected any type of racial discrimination, and particularly the hateful system of "apartheid" [quotation marks as published], which they considered a crime against human dignity and a serious threat to peace in the African Continent. They also "strongly condemn, demanding their complete cessation, the destabilizing acts and attacks perpetrated by South Africa against the people Republics of Mozambique and Angola," to which they gave their "solidarity and support."

The communique carried a great part of the thoughts Sarney expressed during an address to the Republic of Cape Verde National Peoples Assembly. The explicit way in which South Africa is condemned leaves no doubt about the Brazilian desire to broaden its poltical activies in the African Continent, especially in the southern area.

Brazil and Cape Verde yesterday also signed a commercial agreement establishing means to broaden bilateral trade. Trade between the two countries currently is very small (it did not total $6.5 million last year) and is chiefly based on Brazilian exports of aviation fuel, coffee, and iron structures for civil engineering projects. An exhibition of Brazilian products is scheduled to be held between 7 and 13 July in Cape Verde with the aim of encouraging the businessmen of that African country to increase their relations with Brazil.

TURKISH MINISTER INTERESTED IN WAR MATERIALS

PY150009 Rio de Janeiro O GLOBO In Portuguese 13 May 86

[Text] Brasilia -- Turkish Defense Minister Zeki Yavuzturk yesterday visited Brazilian Foreign Minister Abreu Sodre at Itamaraty and told him that Turkey is mainly interested in purchasing Tucano planes manufactured by the Brazilian Aeronautics Enterprise (Embraer), arms and military equipment produced by Specialized Engineers, Inc. (Engesa), and in establishing joint venture. Today, Yavuzturk will have lunch with Armed Forces Chief of Staff Admiral Jose Maria do Amaral, and will visit Rio de Janeiro before going on to Sao Paulo to examine the products developed by Embraer, Engesa and Avibras [Brazilian Airspace Industry] which manufactures helicopters.

According to Foreign Minister Abreu Sodre, bilateral trade between Turkey and Brazil is negligible. Brazil averages yearly exports of $80 million worth of iron, steel, sugar and coffee to Turkey and imports $2.3 million worth of Turkish seeds, dehydrated and crystallized fruit, and spare parts for sewing machines. According to Sodre, Turkish purchases of planes, arms and military equipment (clothes, footware, and helmets) and establishment of joint ventures, will stimulate trade betwen the two countries.

Yesterday's talk was purely diplomatic because, as the Brazilian foreign minister pointed out, Itamaraty "merely paves the way for businessmen." The deals will be made in Sao Paulo during the Turkish minister's 2-day visit to Engesa, Avibras, and Embraer.

3 BOMBS EXPLODE IN SANTIAGO; RALLY BROKEN UP

PY141528 Madrid EFE in Spanish 1457 GMT 14 May 86

[Text] Santiago, 14 May (EFE) -- The police have reported that there were three bomb attacks last night in the Chilean capital.

The first explosion occurred around 2230 on 13 May (0230 GMT 14 May) in front of the Chilean Power Company on Providencia Avenue in the eastern residential area of Santiago.

The second bomb exploded 10 minutes later in front of the Bank of Chile branch in the northern district of Santiago. The third bomb exploded at 2245 (0245 GMT) in the Chilean Water Company located in southern Santiago.

According to a police report issued to the press today, the shots heard last night in the western sector of Santiago were the result of actions carried out by Army personnel to break up groups of demonstrators.

SHANTYTOWN GROUP HEAD JUSTIFIES GOVERNMENT RAIDS

PY132239 Santiago Domestic Service in Spanish 2300 GMT 12 May 86

[Text] Aurora (?Esposelito), the president of the Association of Independent Shantytown Dwellers, has denounced threats made by some extremist elements. She added that she has submitted a petition to the local courts in view of repeated death threats that she has received. She also justified the government raids that have been made in several Santiago shantytowns as a means to bring peace to these places.

The text of the declaration issued by the Association of Independent Shantytown Dwellers notes that the members of the board have also received death threats and that bomb threats were received at the association's headquarters. Recently the home of Aurora (?Esposelito) was the target of a molotov cocktail and stone attack. The molotov cocktail did not explode but the stones damaged windows of the house, which is located in a La Reina shantytown.

The declaration states: The charges that we have made about the extremist actions of the Communist Party and its front organizations in the shantytowns are proven in documents that we have in our possession and by the violent actions experienced by many of our members. Our action angered the violent Marxists.

It continues: We have received thousands of petitions requesting us to solicit the intervention of the authorities in our shantytowns so that peace and order may be restored. This is why we were astonished when His Eminence Juan Francisco Cardinal Fresno called an end to the raids that are being carried out by Carabineros and the Armed Forces in our shantytowns.

We categorically agree with [words indistinct]. This is absolutely true but with due respect to our pastor, we wish to reassert that the shawntytown dwellers have requested the intervention of these forces. We who live in these shantytowns and who know the Communist Party's terrorist actions are tired of enduring Marxist violence and want to live in peace by working for our families and our fatherland.

Troops Conduct More Raids

PY142315 Santiago Radio Chilena in Spanish 1700 GMT 14 May 86

[Excerpts] At 0600 today, Carabineros and military troops began raiding Santa Rosa de Chena, near San Bernardo. Peasant union leader Clara Gajardo talked with Radio Chilena about the situation in this sector, which is inhabited mostly by peasants.

[Begin recording] [Gajardo] All male workers are being taken to the Santa Rosa de Chena stadium. No one can leave or enter this sector. Soldiers with painted faces have closed the four main access highways to Santo Rosa de Chena.

[Unidentified reporter] When the troops enter the houses, how do they behave? Do they destroy domestic appliances? Are such things happening?

[Gajardo] No, at least when I left there was no evidence that the troops were entering the houses. [end recording]

Not many people know Santa Rosa de Chena. It is located near the Chena hill, which has been used as a concentration camp since 1973.

[Begin recording] [Gajardo] It is approximately 35 km from the Chena hill.

[Reporter] How far from Lonquen?

[Gajardo] Some 45 km from the place where the dynamited bodies of the Lonquen people were found. [end recording]

As this report was being filed, no additional information had been released on the raids.

Justice Minister Hugo Rosende said today that the massive raids are performed on orders from the military courts. He made this statement at the end of a press conference during which he and the labor minister reported on the operation of the new labor courts. This is what Minister Rosende told PRIMERA PLANA.

[Begin recording] [Reporter, in progress]...raids, because it has been said they are ordered by courts. Some government officials have said that the neighbors themselves have asked for the raids. What is actually happening?

[Rosende, hesitant]...I believe the raids have been ordered by the courts.

[Reporter] By the regular courts?

[Rosende] Look, when members of the Armed Forces or the forces of order are killed, the matter falls under the jurisdiction of the military courts.

[Reporter] What about Msgr Fresno's request to end the raids?

[Rosende] Well, his opinion deserves full respect, but court orders must be complied with and public order preserved. All of us know that the children's faces were sprayed with acid [words indistinct]. [end recording]

CARABINEROS BREAK UP JOURNALISTS DEMONSTRATION

PY140248 Santiago Radio Chilena in Spanish 1700 GMT 13 May 86

[Excerpts] Dozens of journalists this morning held a demonstration in downtown Santiago to demand freedom of expression, better salaries, and respect for journalistic activities. The demonstration ended in front of the Labor Ministry where it was broken up by Carabineros troops. The professional journalists started their march from the journalists associatidon headquarters located at 31 Munategui Street and continued down Angustinas Street. They carried placards calling for the printing of more newspapers, for the television to carry all the news and for the film of photographers not to be destroyed.

Once at the Ahumada Promenade, the journalists who were supported by many people on the street, proceeded to sing the national anthem. National Journalists Association President Ignacio Gonzalez Camus led the march along with Metropolitan Journalists Association President Pablo Portales. The journalists ended their march in front of the Labor Ministry where they gathered to request that Labor Minister Alfonso Marquez de la Plata answer the demands submitted 15 days ago. Pablo Portales addressed the gathering which was dispersed by Carabineros. Carabineros, who were observing the demonstration, then proceeded to disperse the people with tear gas, which filled the air and the journalists withdrew. No one was arrested.

CCDH REPORT DENOUNCES HUMAN RIGHTS VIOLATIONS

PY141432 Madrid EFE in Spanish 1457 GMT 13 May 86

[Text] Santiago, Chile, 13 May (EFE) -- The Chilean Human Rights Commission [CCDH] today issued a report on human rights violations that were perpetrated in Chile during 1985. In the report, it notes that this "flagrant and treacherous state terrorism" justifies the recent UN report condemning Chile for human rights violations. The CCDH report has been issued precisely at the time when a lawyer and a doctor of the Santiago Archbishopric Vicariate of Solidarity, Gustavo Villalobos and Ramiro Olivares, respectively, are being prosecuted and are being detained and held incommunicado on charges of having helped an injured person who, according to the authorities, is a member of an armed opposition group. The Vicariate of Solidarity, the CCPH, the Chilean Bar Association, and the Chilean Medical Association have noted that it is a paradox that two defenders of human rights are being charged with alleged complicity in a terrorist action at a time when Chile is experiencing a "state terrorism" that is characterized by serious human rights violations while the perpetrators go unpunished.

In its reports, the CCDH notes that "state terrorism was flagrantly and treacherously practiced in 1985, resulting in numerous deaths, kidnappings, detentions, banishments, and harassments." The CCDH notes that this kind of terrorism is being practiced by "police and security services or by parallel groups that are not officially recognized by the authorities and that openly violate the established laws with complete impunity."

The report published by the CCDH, which bases it data on its own records and those of the Vicariate of Solidarity, states that in 1985 there were 64 deaths, 227 aborted murder attempts which resulted in bullet injuries or explosions, and 8,946 political arrests.

In this regard the CCDH report adds that the majority of those arrested for political reasons were released shortly after being detained after their identify and their place of residence were confirmed. It says that in January 1985 there were 1,591 political prisoners in Chile and that by December 1985 there were 935, but that there were months, such as February, in which this number climbed to 1,664. The average number of political prisoners per month in 1985 was 1,127.

The commission notes that during the enforcement of the state of siege, between 11 November 1984 and 16 June 1985, a total of 31,617 people were arrested during urban operations in which thousands of homes were raided and their inhabitants (including women, children, and old people) were detained for periods of from 3 to 8 hours. The statistics also indicate that during 1985 there were 171 banishments, 1 expulsion from the country, 166 cases of torture, 740 cases of cruel or inhuman treatment, and 392 cases of harassment.

The CCDH report adds that the 610 cases of detention and missing persons that were submitted to the courts have not been clarified since 1973. It notes that these pertain to "cases in which there is good evidence of the participation of security agents, but so far they have not been resolved."

The CCDH states that, nevertheless, there are "thousands of other cases that are not known and that have not been submitted to the courts because of legal procedural reasons, because there are no guarantees on the results, or because of fear of reprisals." The organization adds that the issue of the political prisoners who were summarily executed between 1973 and 1974 by the military authorities was again discussed in 1985. It says that " there are records of approximately 1,200 cases of detainees, people who were prosecuted, or even condemned for minor punishments by the military courts who were executed without trial in view of administrative orders issued by the pertinent authorities."

According to the CCDH report, by the end of 1985 there were 3,812 people who were exiled and who were prohibited from entering the country.

Regarding the 64 cases involving deaths, the CCDH reports that 9 occurred in alleged clashes, 2 were caused by torture, 5 by homicide, 31 by unnecessary violence, 13 by abuse of power, and 4 by other causes. Among those killed were three professionals who were militants of the Communist Party. They were kidnapped and beheaded at the end of March 1985. The courts have not yet clarified these cases and dozens of Carabineros officers and low-ranking employees of a Carabineros intelligence service, Diacomar, who were prosecuted in the first instance have been released.

The CCDH reports that the total number of persons who were kidnapped or subjected to harassment before being released numbered 61. Those responsible for these deeds appear to be "organized paramilitary groups that have an infrastructure of buildings, arms, vehicles, and communications and logistics systems that allow them to deploy themselves without difficulty during the curfew and to overcome any police or military control in the evening."

The CCDH states that "the 43 countries that are members of the UN Human Rights Commission have agreed to issue a unanimous resolution condemning the Chilean Government for its continuous serious violations of human and basic rights and freedoms."

In conclusion, the report stresses that "the international community's concern about the regressive human rights situation in Chile is widely justified in view of the serious incidents that occurred in 1985."

COLORADO LEADER SAYS STROESSNER REGIME OUTMODED

PY141738 Paris AFP in Spanish 1133 GMT 14 May 86

[By AFP special correspondent Jean Pierre Gallois]

[Text] Asuncion, 14 May (AFP) -- The governing style of President Alfredo Stroessner is outmoded, and the Colorado Party -- a pillar of power for the last 32 years -- should propose a new political project with new men, an important leader of this party, which by far is the majority party in Paraguay, has told AFP.

Angel Roberto Seifart, 44, lawyer, deputy and a member of the party Government Board, said during an exclusive interview that the Colorado Party should prove in the next presidential period (1988-1993) that the succession of power has not been blocked by the party. Most observers believe that those who adhere to this way of thinking outnumber and are more liberal than the opposing militant faction, which is made up of Stroessner's loyalists.

A third faction, which is known as the traditionalists, is composed of the party's historical leaders, who also would like to see power transferred to a civilian in 1988.

However, Seifart did not openly advocate the immediate departure of chief of state. He said: No, no, no. We do not propose that at all. Now, unpredictable events may cause a more rapid deterioration. Social developments...are possible. But we do not propose his departure.

The Paraguayan public is obviously restless. Some adjustments and changes are necessary, changes in the methods, in the system of political, power, in the economic orientation, in the social situation. The formula that was implemented in 1954 is now largely obsolete, and this is creating the need to search for new prescriptions to respond to the transformations the country has experienced in the past 30 years. It is only logical that a new political project with new men should be sought, Seifart stated. Seifart went on to say that while this process is prolonged and while this continuity is perpetuated, many of the party's basic principles will continue to be contradicted.

The Colorado leader said that he is convinced that the Armed Forces, the other pillar of the regime, will not oppose a democratization process. This conviction is founded in concrete signs. I am very optimistic, he said.

Asked about the outbreak of social fever that has been affecting the country for the past month, Seifart said that he social demands are just, and he condemned the police repression. He added that the lack of proportion in the amount of repression to the nature of the demonstrations is what caused the exacerbation of these disturbances.

Regarding the economic situation, Seifart said that the current difficulties are related to the commercial and financial aspects of the international situation, but are also related to errors in government policy and, above all, to the widespread corruption. He did not hesitate to implicate the hierarchy, both of the government and the Armed Forces, with his accusation. The corruption makes no exception of hierarchy, categories, or sectors. It is so widespread that corruption has contaminated all levels of our society. There are civilians and military men who are deeply involved in corruption, Seifart affirmed.

[Asuncion Radio Primero de Marzo in Spanish at 1525 GMT on 14 May, after reading the above AFP report on Seifart's statement, adds an editorial note saying that the radio station contacted Deputy Angel Roberto Seifart on "the content of the AFP interview and that Seifart confirmed that the tenor of the interview was fully maintained, but not so its wording, which was changed in some passages."]

RADIO PRIMERO DE MARZO DENOUNCES THREATS

PY141642 Asuncion Radio Primero de Marzo in Spanish 1422 GMT 14 May 86

[Text] The following is a message from the directors of Radio Primero de Marzo to our listeners:

For unknown reasons, Radio Primero de Marzo has received threats from unidentified individuals over the past few days. These threats, like any anonymous threat, were conveyed in the worst possible terms and were directed both at our people and at our facilities.

This outburst of unjustified, unexpected hatred is incomprehensible to us. As a journalistic organization that complies with its role, Radio Primero de Marzo is solely and exclusively committed to disseminating objective, factual reports.

Those who have regarded our station as a vehicle for political objectives are mistaken. They should just listen to our daily programs to realize that our station is committed to exercising dynamic, fair journalism that is only devoted to serving our community. Only shortsighted, fanatical people could fail to see this.

Media organizations are frequently asked to observe fair reporting. Primero de Marzo has always observed this rule: It has not concealed, or distorted the truth; it has not magnified its reports, it has always reported the plain, naked truth.

Because Primero de Marzo has always observed this golden rule, it demands that the appropriate action be taken by those responsible for looking after our people and property. Representatives of unidentified sectors, which do not represent our community, have issued threats against our station. Because we do not have anything to conceal or to repent for, we call the attention of the authorities to these threats and demand that they give us the guarantees we are entitled to receive as citizens who are performing an honest job.

Meanwhile, Primero de Marzo will continue to perform its reporting activities, despite the wishes of those who, cowardly hiding behind anonymity, are seeking to intimidate a station that is just complying with its duty.

To these mysterious advocates of intimidation, we say: Primero de Marzo does not endorse political slogans nor does it seek to mislead anyone. We are faithful to only one banner: the red, white, and blue banner [Paraguayan flag] which today has a special significance for us; and our only commitment is to serve the people by reporting the truth.

PANAMA'S ABADIA: NICARAGUA WILL SIGN CONTADORA

PA142113 Paris AFP in Spanish 2052 GMT 14 May 86

[Text] Lima, 14 May (AFP) -- Today, shortly after his arrival in Lima, Panamanian Foreign Minister Jorge Abadia Arias said that Nicaragua has agreed in writing to sign the Contadora document on 6 June in Panama City. "At last, peace in Central America is foreseeable," Abadia said a few minutes after he was welcomed by his Peruvian counterpart, Allan Wagner Tizon, at the beginning of an official 3-day visit to Peru, which is one of the four countries comprising the Support Group (Argentina, Brazil, and Uruguay are the other countries) to the Contadora Group (Colombia, Mexico, Panama, and Venezuela).

Nicaraguan Embassy Denies Report

PY150035 Paris AFP in Spanish 0012 GMT 14 May 86

[Text] Lima, 14 May (AFP) -- The Nicaraguan Embassy in Peru reiterated here today that its government will not sign any document as long as the U.S. Government does not fully end its attacks against its country. Nicaraguan Ambassador Mauricio Cuadra's made these statements in reference to those made in this city by Panamanian Foreign Minister Jorge Abadia who said that Nicaragua had formally promised to sign the Contadora act for peace in Central America on 6 June. The diplomatic representative of the Sandinist government said that his country will be willing to sign the Contadora act once the U.S. Government has ceased its aggressions against Nicaragua and promises to respect the sovereignty and integrity of our territory.

STATEMENT ON DUARTE VISIT URGES L.A. 'COMMUNITY'

PY141218 Madrid EFE in Spanish 0352 GMT 13 May 86

[Text] Lima, 12 May (EFE) -- In a joint statement signed by the two heads of state at the conclusion of the 4-day visit to Lima by the Central American president, Salvadoran President Jose Napoleon Duarte and Peruvian President Alan Garcia today proposed the creation of a Latin American community of nations. Duarte, who will leave Uruguay today to continue his tour through the member countries of the Contadora Support Group, which also includes Argentina and Brazil, tonight attended his last official function in Lima, bestowing upon Alan Garcia the Grand Cross of the "Jose Matias Delgado" Order.

In the statement, Duarte and Garcia also agreed to continue giving their "staunchest support" to the efforts being made by the Contadora Group and the Contadora Support Group, "because they are the most appropriate mechanisms through which to find a final solution" to the Central American crisis. Duarte and Garcia added that it is indispensable to express Latin America's capability to solve its own problems, for which reason it is "imperative" to achieve as soon as possible a peace and cooperation agreement in the Central American region. Duarte and Garcia stated that they are convinced of the need to promote the strengthening of Latin American solidarity and unity "through the creation of a Latin American community of nations," which would jointly meet the economic, financial, and social problems of the Latin American nations. The two presidents emphasized that it is "indispensable" to continue restructuring the inter-American system, encouraging cooperation and political talks under equal terms among the member countries, and that in the upcoming OAS meeting in Guatemala they will contribute by making the OAS meeting a new step in that direction.

REPORTAGE ON SALVADORAN PRESIDENT DUARTE'S VISIT

Arrival Prompts Protests

PY141152 Madrid EFE in Spanish 2136 GMT 13 May 86

[By Sixto Martinex]

[Text] Montevideo, 13 May (EFE) -- Salvadoran President Jose Napoleon Duarte today began a controversial 30-hour visit to Montevideo amid remarkable security measures and the repudiation of the Uruguayan opposition. Duarte arrived at the Carrasco International Airport of Montevideo at 1015 local time (1315 GMT), where he was welcomed by his Uruguayan counterpart, Julio Maria Sanguinetti, with whom he is scheduled to hold two working meetings.

In his welcoming speech, Sanguinetti said that "we will try to do everything possible to achieve an atmosphere of peace," and he stressed that "we must frequently endure the lack of understanding of right- and left-wing groups."

Duarte said "I have come here to tell you about my joys and my sorrows. The task has been difficult, but step by step we are moving toward democracy." He added: "We believe in dialogue."

Meanwhile, the main Uruguayan labor organization today called for a demonstration to protest the visit of the Salvadoran president, whom it accused of being responsible for violating human rights in his country and of siding with the United States. The demonstration organized by the Inter-Union Workers Plenum-National Convention of Workers (PIT-CNT) is scheduled for 1900 local time (2200 GMT) at a downtown square in Montevideo in front of the hotel where President Duarte was going to stay. However, the Salvadoran chief executive, who is touring several South American countries, has gone to a hotel on the outskirts of Montevideo under heavy security measures.

Lawmakers of the Blanco Party and of the left-wing Broad Front coalition, the two main opposition forces, are criticizing the visit of the Salvadoran president. Meanwhile, municipal task forces are scraping off the anti-Duarte signs that left-wing organizations plastered on the walls of the buildings along the main avenues of Montevideo.

Broad Front Senator Francisco Rodriguez Camusso stated that Duarte "is the head of a regime well-known for outrageous violations of human rights." Rodriguez Camusso added: "We hope he will get no support from our government." Rodriguez Camusso is a member of the Senate International Affairs Committee.

Senator Jose German Araujo, who also belongs to the Broad Front, said: "We all know that there is still no respect for human rights in El Salvador." Deputy Marino Irazoqui, of the Blanco Party, the second largest political organization in Uruguay, stated that "no one can believe that constitutional stability in El Salvador can be obtained through a man involved with the (U.S.) Department of State." Another member of the Broad Front, the Christian Democratic Party, to which Duarte belongs in El Salvador, issued a communique stating that "from our markedly anti-imperialist position, we can hardly support the Salvadorn Government's obvious alignment with the policy of the Reagan administration."

The Christian Democratic Party added that the solution to the Salvadoran conflict "calls for a broad national dialogue among all representative sectors of the people."

After meeting with Sanguinetti and Uruguayan Foreign Minister Enrique Iglesias, Duarte will receive the keys to the city of Montevideo, visit the Supreme Court, and meet with the international affairs committees of the Senate and of the Chamber of Deputies. Argentina, Brazil, Peru, and Uruguay make up the Support Group of the Contadora Group (Columbia, Mexico, Panama and Venezuela), which has been trying to find a negotiated solution to the Central American crisis for 3 years.

The official agenda of the Salvadoran president includes the laying of a wreath at the mausoleum of Uruguayan hero Jose Artigas. Today municipal workers were cleaning a large sign in front of the mausoleum that reads "Welcome President Duarte" which had been smeared with paint.

Demonstrations In Montevideo

PY141158 Paris AFP in Spanish 2253 GMT 13 May 86

[Text] Montevideo, 13 May (AFP) -- More than 5,000 people today marched in downtown Montevideo against the presence of Salvadoran President Jose Napoleon Duarte, who is paying a 36-hour [as received] visit to Uruguay. The demonstrators marched along 18 de Julio Avenue, Montevideo's main thoroughfare, carrying mostly flags of the left-wing Broad Front coalition and shouting slogans against the Central American president. "Duarte get out of Uruguay" and "Duarte, the betrayer of our sister Nicaragua" were some of the slogans written on the dozens of signs carried by the demonstrators, who shouted "Duarte will fall, together with all the fascists in power," among other chants.

Duarte: Not U.S. Puppet

PY150320 Montevideo Radio Carve in Spanish 0930 GMT 14 May 86

[Excerpts] Salvadoran President Jose Napoleon Duarte is concluding his visit to Uruguay today. President Duarte held important meetings here in Montevideo as part of his tour throughout several Latin American countries.

Yesterday, Presidents Jose Maria Sanguinetti and Jose Napoleon Duarte met at Government Palace to discuss several issues, especially the sensitive Central American situation. Upon leaving Government Palace, Duarte was interviewed by reporters and indicating emphatically that he does not consider himself a U.S. puppet.

[Begin recording] [Duarte in progress] ...not only military but also economic aid. I would like to say that in this process there are some people who believe that I am a U.S. puppet or that the U.S. Administration makes Salvadoran policies. That is not true. We make Salvadoran policies. We are in a process of changing from a country which has lived under a dictatorship to a country now living in democracy. In accordance with this process I have asked not only the U.S. Government but all countries of the world, European countries, and different financial, and economic institutions for aid because El Salvador needs not only military but also economic aid. We could not survive without that aid.

[Unidentified reporter] How do you see the U.S. aid to the contras?

[Duarte] That issue is included in one of the points of the Contadora Group proposal. A few minutes ago we were saying with President Sanguinetti that the Contadora Group proposal is the best way to do away with foreign interference in Central America and to achieve peace and harmony without interference. [end recording]

Napoleon Duarte's visit to Montevideo was made under strict security measures. The itinerary initially approved was changed substantially. Yesterday Duarte did not go to Plaza Independencia as scheduled. He will go there this morning Duarte and his delegation will leave Uruguay around 1600 today.

FMLN Leader On Duarte, U.S. Aid

PY141202 Paris AFP in Spanish 2311 GMT 13 May 86

[Text] Montevideo, 13 May (AFP) -- Camilo Rodriguez, an FMLN leader, today said in Montevideo that the visit Salvadoran President Jose Napoleon Duarte is paying to Uruguay will be used to request more U.S. aid. Duarte is visiting democratic countries like Uruguay so he can go before the U.S. Congress later and ask for more dollars and more arms, said Rodriguez, who arrived in Montevideo on Sunday to participate in the congress of the Uruguayan Union of Communist Youth (UJC).

According to the FMLN leader, Duarte's administration is totally rejected in El Salvador because it is implementing U.S. policy to the letter. Rodriguez admitted that the death squads are no longer operating the way they did before in El Salvador, but he explained that the repression has become more official. He said that bombings have increased 80 percent since the beginning of the war and many villages have been razed. Rodriguez also said that the FMLN wants a political solution to the Salvadoran crisis, but added that his organization has already made several proposals that the president has turned down.

Presidents Sign Statement

PY150147 Paris AFP in Spanish 2130 GMT 14 May 86

[Text] Montevideo, 14 May (AFP) -- The Salvadoran and Uruguayan presidents today in this capital voiced their resolute support of the Contadora Group's effort in Central America and asserted that it is the most appropriate took to seek a definite solution to the crisis in that region.

In a joint declaration, Jose Napoleon Duarte and Julio Maria Sanguinetti voiced their full support of international law and stated that the structure and current difficulties that the world economy is experiencing seriously threaten the Latin American peoples' legitimate aspirations to grow. These difficulties, they added, worsen the sociopolitical frictions which unaviodably jeopardize stability at an internal and international level.

Duarte and Sanguinetti stated that the serious crisis which Latin America is enduring is caused, to some extent, by the servicing of the onerous foreign debt, the drop of basic prices in the international market, as well as the protectionist measures and the deterioration of the terms of trade, among other issues.

The two chiefs of state noted the convenience of reorganizing the current international economic order in a more fair and equitable manner and also agreed to increase the efforts that will allow the development of the various regional integration processes.

In this regard the Salvadoran President voiced his support of an initiative proposed by Sanguinetti and Argentine President Raul Alfonsin, aimed at creating a regional assistance treaty for emergencies in the nutrition field.

Duarte and his Uruguayan counterpart also condemned the arms race, whose cost and threat represent a constant source of tension.

The visiting chief of state and his host voiced their support for the Contadora Group's efforts and Duarte voiced his government's firm political will to reach a negotiated solution with the signing of the Act for Peace and Cooperation in Central America. In this regard Duarte emphasized the need to establish a regional parliament in order to strengthen the democratization process in the area.

After pointing our the new and fruitful possibilities that the strengthening of democracy in Latin America opens, Sanguinetti and Duarte categorically condemned terrorism and drug trafficking in all its forms which, they stated, threaten to destroy the society's ethical standards.

In addition to the declaration, the chiefs of state signed an economic and commercial cooperation agreement. This agreement will provide for the creation of a joint commission in charge of strengthening bilateral relations within the framework of a preferential treaty.

DOMINICA'S CHARLES ON CONTADORA, CARIBBEAN

PA141759 Paris AFP in Spanish 1415 GMT 14 May 86

[Text] Caracas, 14 May (AFP) -- Dominica Prime Minister Eugenia Charles said in Caracas today that "Nicaragua has the right to make the signing of the Contadora peace document contingent upon an end to U.S. President Ronald Reagan's support of the 'contras.'"

Charles is in Caracas representing her small Caribbean country of 76,000 inhabitants at the 16th annual meeting of the Caribbean Development Bank (CDB) Board of Governors which Venezuelan President Jaime Lusinchi will inauguarate today.

In Charles' opinion, the United States and Nicaragua should make simultaneous pledges of peace and nonintervention within the framework of the Contadora Group (Colombia, Mexico, Panama, and Venezuela), which is the "only mechanism that can resolve the Central American conflict and bring peace to the region."

Dominica's prime minster said that in view of the many economic problems faced by the CDB member-countries, the bank should adapt itself to their needs.

Charles added that some of the priorities of Dominica, a former French-British colony located between Guadeloupe and Martinique, are: "a search for greater agricultural, agroindustrial, and manufacturing investment, and the increase of hydroelectrical power."

BRIEFS

OIL COMPANIES MERGER -- The merger of Corpoven and Meneven, to create Corpomene, has just been approved. This will leave the oil industry with three operating companies Lagoven, Maraven, and Corpomene. In addition, Interven has been created to manage oil internationalization agreements signed abroad. The delivery of oil and/or the products that must be exported will continue to be handled by Lagoven and Maraven. [Summary] [Caracas EL UNIVERSAL in Spanish 2 May 86 p 2-1 PA]

DISPUTE CONTINUES OVER U.S. SENATE HEARINGS

Text of Protest Note

PA150342 Mexico City XHOF Television Network in Spanish 0300 GMT 15 May 86

[Text] The Mexican Foreign Secretariat has reported that, in accordance with the instructions received from the Mexican Government, Jorge Epinoza de los Reyes, Mexican ambassador to the United States, today presented to U.S. Secretary of State George Shultz a protest note for the contents and orientations of the hearings held on 12 and 13 May by the U.S. Senate's Subcommittee on Western Hemisphere Affairs. The text of the letter reads as follows:

The Subcommittee on Western Hemisphere Affairs of the U.S. Senate's Foreign Relations Committee, chaired by Senator Jesse Helms, held two hearings on 12 and 13 May. During those two hearings, a small group of members of the subcommittee, and several U.S. executive branch officials made statements that are degrading for Mexico and its government. Not only that, but despite the secret nature allegedly surrounding the first of these hearings, some of the statements made were leaked to the press. Therefore, this must be considered as a deliberate action on the part of those senators and government officials to emphasize [as heard] the process of information regarding the Mexican situation.

In view of the above, I have received instructions from my government to present before Your Excellency a formal and strong protest for these incidents which represent an unfriendly attitude toward my country and which contradict the spirit of cooperation that the Mexican Government has been demanding in order to find solutions to the problems that arise in our bilateral relations. To mention only one example, a meeting was recently held in Cancun. This meeting was attended by the Mexican and U.S. attorney generals, and important agreements were reached regarding the struggle against illicit drug trafficking and crime prevention in general.

The statements I am referring to and made by that small group of senators and U.S. executive branch officials are totally opposed to those made by Attorney General Edwin Meese during the Cancun meeting.

Such statements conflict with the Mexican Government's purpose of creating the appropriate environment to carry out the actions of cooperation as agreed upon between our two governments. For the Mexican Government, the struggle against the production and the trafficking of drugs and against the criminals who promote this activity, is permanent and has significantly increased in recent years. With this struggle Mexico seeks to prevent and eliminate actions against health, even though drug consumption in Mexico does not pose as big a problem as it does in other countries where it affects the society as a whole. However, Mexico feels that as long as measures are not adopted to prevent and fight drug consumption, and to punish its distribution in the centers that represent the main markets, the problem will not be resolved despite the progress made in other countries, among the, Mexico.

It is up to the United States to definitely resolve the problem of production in its territory, a problem which is increasing, and to fight consumption and distribution, a problem that is constantly reaching higher levels. Even U.S. authorities have widely recognized the effective results of the efforts by the Mexican Government to combat drug trafficking. U.S. President Ronald Reagan, during his 3 January address in Mexicali, had high praise and appreciation for Mexico's fight against drugs.

Moreover, the interventionist statements made during the hearings which I have mentioned, besides falsifying the truth and prompting a distortion regarding the situation in my country, constitute a clear and unacceptable violation of Mexico's sovereignty. The Mexican Government does not accept that U.S. officials make comments on matters regarding domestic internal policies which only concern Mexicans, and which a government may claim that right [as heard] to make value judgments on them. Likewise, it categorically rejects slanders made against Mexico during the hearings. The capacity to defame and the political irresponsibility implied in some of the comments are amazing.

Throughout its independent history, Mexico has invariably shown its strong adherence to the principles and guidelines for international coexistence and its unequivocal respect for the free determination of other peoples. For that reason, with moral authority and based on reason, Mexico demands that others respect its soveriegnty. The Mexican Government has actively promoted a frank, respectful, and constructive communication with the U.S. Government as the means to solve problems affecting the two countries in their relations as neighbors and friends. In order for bilateral cooperation in different fields to be effective, it must be conducted in a climate of trust and mutual respect. The holding of hearings such as the one convened by the U.S. Senate's Subcommittee on Western Hemisphere Affairs tend to harm that climate of agreement and understanding which we seek. These developments promote unilateral reactions to problems and feed sentiments of suspicion, mistrust, and dislike among sectors of our peoples.

Hence, my government conveys its displeasure for the lack of concurrence for the recognition by President Ronald Reagan and his top aides regarding Mexican efforts to make progress in our bilateral relations, as is regretfully happening today within the framework of a hearing in which a minority of senators and lesser officials belittle Mexico.

The Mexican Government reiterates its firm stance to continue all efforts to facilitate constructive political communication and balanced cooperation between the two governments, based on geniune respect to solve problems of mutual interest and to broaden exchange between the two peoples.

UN Envoy Comments

PA150227 Hamburg DPA in Spanish 2343 GMT 14 May 86

[Text] New York City, 14 May (DPA) -- Mario Moya Palencia, Mexican ambassador to the United Nations, today described the attempts to blame his country for the "complex international problem" of drug trafficking as "infantile and absurd." In a press communique, the ambassador responded to "the campaign of attacks against Mexico" increased by yesterday's hearings in the U.S. Senate Subcommittee for Western Hemisphere Affairs. During the hearings, several U.S. officials criticized the way in which the Mexican Government approaches the problems of illegal immigration, drug trafficking, government corruption, and economic problems.

Moya Palencia categorically rejected "the accusations and slanders" made against his country during those hearings "held by three of the nine senators who comprise the subcommittee," and "with the participation of lower level officials of the U.S. executive branch." The Mexican diplomat said that the statements made during the hearings "do not adhere to the truth of the matter, distort the facts, and represent a misinformation of what is happening in Mexico." The ambassador reiterated that drug trafficking is an international problem and added that "the increasing number of U.S. addicts is the main reason" for the failure in the struggle, or for a significant reduction of the problem.

Regarding the charges made against Mexico of police and government corruption, the ambassador said that this problem is being vigorously fought in his country but warned that this is not an exclusively Mexican phenomenon. The ambassador recalled that the U.S. newspapers carry articles on corruption of U.S. official every single day.

In conclusion, the ambassador said that Mexico cannot be blamed for the existence of drug trafficking because "we share 2,500 km of border with the country that represents the biggest drug consumption market in the world."

AUTHORITIES WAGE STRUGGLE AGAINST DRUG TRAFFIC

PA141730 Mexico City XHDF Television Network in Spanish 0300 GMT 14 May 86

[Report by Jorge Tenorio Jimenez]

[Text] During this year, the Mexican National Defense Secretariat, in coordination with the Mexican Attorney General's Office, has dealt harsh blows to the drug traffic. Over 26,000 Army members are struggling permanently to eradicate that social evil. The effectiveness of the Army operations in fighting drug traffic is demonstrated by the following measures taken by the Army during the current adminstration:

Increase of forces to 20 generals, 120 [division] chiefs, 1,225 officers, and 25,000 permanent troop members; destruction of 262,145 poppy fields in an area of 24,998 hectares, and 128,483 marijuana plantations in an area of 20,870 hectares. Confiscations totaled 1,649 cars, 38 airplanes, 19,721 weapons of varied calibers, and 10,648 tons of packed marijuana, and 1,986.7 kg of pure cocaine were burned. Arrest and arraignment of 13,651 Mexicans and 70 foreigners on charges of crimes against health.

In just 1 week 379,390,054 people were prevented frm drug intoxication, a figure equivalent to the present population of Mexico, and Cental and South America.

The Mexican Attorney General's Office confiscated 173,000 kg of marijuana and 2,263 kg of cocaine in 1985. That amount of cocaine is greater than the amount confiscated by all the West European countries. Also in 1985, the Attorney General's Office arrested 9,900 individuals for crimes against health. Last year that office allocated 41.13 percent of its budget -- 5.157 billion pesos -- to the struggle against drug traffic.

Comptroller Office Report

FL141608 Mexico City NOTIMEX in Spanish 2240 GMT 13 May 86

[Excerpt] Mexico City, 13 May (NOTIMEX) -- Today the Comptroller General's Office reiterated that unlike any other government, Mexico has shown positive results in its national campaign against drug smuggling within its territory. Thus, it rejects opposing assertions recently made in the United Sates.

In 1985, 9,871 people linked to drug smuggling were arraigned and accused of crimes of various degrees against the health. This year to date, 2,100 people have been arraigned. Among the biggest drug shipments seized in recent years is on of 1,180 kilos in Tijuana, a demonstration of Mexico's struggle against narcotics production and smuggling.

The Comptroller General's Office noted that 5.15 billion pesos, 41.13 percent of the office's budget, were spent in 1985, and 42.6 percent is expected to be allocated this year. Regarding the staff that is directly involved in the anti-drug smuggling campaign, it indicated that there are 1,606 Federal Judicial police officers and experts in identifying and destroying drugs as well as support personnel who are permanently assisted by 25,000 members of the Mexican Army cooperating in this struggle.

Regarding other drugs, 23,101 marijuana fields scattered along 2,297 hectares in various places in the country were located and destroyed last year. About 12,865 fields in 1,123 hectares have been destroyed between January and April 1986.

IMF MEETING TO FOCUS ON POLITICAL ASPECT OF DEBT

FL150046 Mexico City NOTIMEX in Spanish 1850 GMT 14 May 86

[Text] Mexico City, 14 May (NOTIMEX) -- The Mexico City newspaper EL FINANCEIERO said today that Mexico's next meeting with the IMF will focus on the political aspect of the foreign debt and will be the most difficult meeting since 1976. According to the article, government sources said budget and personnel cuts would not be convenient because of the social problems that could arise. Because of this, negotiations for a new IMF agreement based on technical aspects will have to be stressed in the financial world, especially when $333.2 billion in interest payments will be made this year to creditors.

According to the newspaper report, the sources denied that the country was carrying out a moratorium and admitted that in general terms, the economic adjustments applied in Mexico are in accordance with the IMF philosophy which is oriented to the deficit, inflation, interest rates, and types of exchange. The problem is that the foreign debt has consumed the domestic economy which has complicated Mexican development despite compliance with IMF proposals, the sources added. This will be stated to the IMF and the social implications will also be pointed out which is why this will be a political negotiation, continued the newspaper article. If the country is pressured too much, government authorities will make unilateral decisions on the foreign debt even though this does not mean debt payments will be suspended, said the newspaper article.

BRIEFS

IMPORT, EXPORT REPORT -- According to Hector Vasquez, an official of the Mexican Secretariat of Commerce and Industrial Development, in the first quarter of 1986 Mexican imports decreased by 8 percent in comparison with the same period in 1985. Nonoil exports increased by 20 percent, a trend that might continue for the entire year. [Summary] [Mexico City XHDF Television Network in Spanish 0300 GMT 14 May 86 PA]

RECORD SUGAR HARVEST -- Domestic sugar production has reached record-breaking levels for the fourth consecutive year. With 4 weeks still left in the 1985-6 harvest season, the yield already totals 3,330,000 tons, almost 2,500 more tons than last season. The parastate enterprise Sugar, Inc. reported that the increase took place with the participation of 68 sugar refineries, 2 less than those that worked last season. It attributed the success of the results to the measures to rationalize resources, fuel-saving measures, and the improved use of time. [Excerpt] [Mexico City EL NACIONAL in Spanish 12 May 86 p 1 PA]

U.S. SENATE ASKED TO PUT SUBCOMMITTEE IN CHECK

PA141839 Panama City LA ESTRELLA DE PANAMA in Spanish 14 May 86 pp A-1, A-14

[Text] Developments "are being distorted and maliciously misrepresented" in Panama, Camilo Gozaine, president of the Panamanian Legislative Assembly, has said.

In addition to regretting the nature of the activities currently taking place in the U.S. Senate, Gozaine released the following statement:

The president and members of the Panamanian Legislative Assembly hold in high esteme and respect the Senate of the United States of America a great deal. We want to maintain and improve the good relations that exist between the two countries' legislatures to preserve the traditional ties of friendship and cooperation between Panama and the United States and [protect] the common interests we share.

We therefore regret that the U.S. Senate Subcommittee for Hemisphere Affairs has insisted on holding a number of hearings to discuss my country's domestic affairs, which are the exclusive domain of the Panamanian people and the institutions that represent them. Such interventionist activities are causing distortions and malicious misrepresentations of developments. They misinform the U.S. public and offend broad sectors of Panamanian society.

Moreover, there are reasons to believe that the subcommittee hearings are being used as a means to collaborate with certain individuals in Panama and the United States who are involved in a conspiracy that seeks to destabilize the normal democratic development of Panama's political and economic life and subvert my country's constitutional order.

We are absolutely certain that the U.S. Senate is in no way involved in those activities. We hope that these activities will not harm the good relations or cooperation between the two peoples, governments, or legislatures.

We especially hope that these activities are not designed to upset the strict compliance with the Torrijos-Carter treaties on the Panama Canal or the strict and punctual implementation of its decolonization objectives. This would be extremely damaging to the interests of the two countries and the international community and Panama would energetically reject such pretensions.

Therefore, we trust that the traditional common sense and good judgment of the U.S. Senate and its presidency will prevail. We consider a top priority of that U.S. lawmaking body and its leaders to redirect the activities of this subcommittee toward paths more congruent with international law and respect for the sovereignty and self-determination of states both large and small, in the light of the concerns and statements expressed by the Republic of Panama.

Camilo Gozaine, President

Panama Legislative Assembly

LA REPUBLICA DOMINICAL OUTLINES 'SEDITIOUS PLOT'

PA120401 Panama City LA REPUBLICA DOMINICAL in Spanish 11 May 86 pp 22-a, 23-a

[Text] 1. General Situation.

Forces hostile to the Panamanian nation have been carrying out a seditious plot against our country's institutional stability and interests since May 1984. The promoters of the seditious plot are in and outside the country and there are references, records, objectives, means, and specific methods, which have been fully identified and which should be known and faced by the Panamanian state branches. The people in charge of carrying out the seditious plot in a direct manner and through coverup organizations are the following: the Chrisitian Democratic Party, PDC; the Popular Action Party, PAPO; Dr Arnulfo Arias and the Miami Group ([Carlos] Rodriguez, [Dr Carlos Young] Adames, and [Guillermo] Endara) [Authentic Panamanian Party leaders] a sector of the U.S. State Department and some U.S. Embassy officials in Panama. Also some right-wing U.S. senators (such as Senator Jesse Helms).

2. Specific Objectives of This Seditious Plot:

a) The domestic aspect: to seize political power and eliminate the civil government officials and sectors supporting the government;

b) To isolate the Defense Forces of Panama [FDP] from the majority sectors of the country, to destroy it or to make the FDP a coercive instrument to impose the plot's strategic objectives;

c) To align Panama within the continental economic restructuring sponsored by the IMF and the World Bank, to benefit the transnational corporations.

The foreign aspect:

a) To align Panama within the operation aimed at bringing about the collapse of the Contadora Group;

b) To involve Panama a apart of the Central American conflict;

c) To carry out in Panama the plan aimed at placing Christian Democracy in the government of each country in the area.

3. Conditions Required for the Success of the Plot.

a) To discredit, to create suspicion and distrust against the FDP, to isolate it politically and socially.

b) To promote and open conflict between the FDP and the country's organized majority sectors.

c) To promote divisions in the FDP's unity.

d) To subordinate the FDP commands, in the domestic aspect, to the adversary's political and economic objectives, and, in the regional aspect, to the adversary's military objectives.

4. General References of the Seditious Plot.

a) The plot applied in Panama is not original, it has been tried in the region. It was most recently carried out during the campaign which led to the collapse of Michael Manley's government in Jamaica to replace him with Edward Seaga, an ally of Panamanian Christian Democracy;

b) In all previous cases, this seditious plot has had the same system: objectives-methods-means. This reveals the action of an outside force capable of having an influence or decidedly carrying out its guidelines and implementation according to the characteristics of each country where the plot is implemented.

5. Objectives of the Seditious Plot.

a) To increase and exploit the internal differences among the sectors in charge of the government;

b) To promote divisions and differences within these sectors;

c) To promote lack of credibility and disobedience against the authorities among large sectors of the population;

d) To isolate the authorities from their allies and friends abroad;

e) To paralyze the authorities' initiative and multiply the problems they must face;

f) To spread among the population a state of unrest to the demand for punishment of scapegoats chosen and prefabricated from the government sectors by the adversary;

g) To seize power due to the lack of initiative and authority obtained through the implementation of the plot.

6. Methods of the Plot:

a) Misinformation;

b) Violent provocations;

c) Manipulation of the news media for foreign consumption (damaging the country's international image);

d) To create a tactical system of politically "disguising" the real participants, through promoting the activity of allegedly "civic" organizations manipulated by cover-up political organziations.

6. 2 Means Used for the Plot:

a) The main means to carry out the plot are the country's radio and newspapers;

b) The main means abroad consist in support groups or people who have the capacity to misinform and manipulate news media of well-known prestige, especially in the United States and other important countries;

c) The civic organizations being used to conceal the real promoters fulfill a subordinate function to the guidelines issued through these news media, which are directly conducted by the political organizations in charge of implementing the seditious plot.

6. 3 Plot Operation:

It follows the sequence: provocation, misinformation, mobilization of civic organizations in charge of disguising, misinformation abroad, new provocation, local misinformation, new mobilization, and so forth, to create a destabilization spiral.

6. 4 Conditions for the Plot's Effectiveness:

In order to achieve the plot's objectives, a fundamental condition is to carry out a campaign of the magnitude of provocations. This is aimed at achieving an escalation equivalent to the mobilization of civic organizations in charge of disguising the real promoters, in order to reach the moment when they can be subjected to repressive actions which can deteriorate the authorities' credibility and thus increase the prestige of their political adversaries.

7. Sequence in the Implementation of the Seditious Plot in Panama

7. 1 May 1984: Misinformation and propaganda campaign on the so-called electoral "fraud."

7. 2 December 1984: Misinformation and disturbance campaign in relation to the so-called Law no. 46 (which involved the president of the Republic).

7. 3 April-June 1985: Social destabilization campaigns carried out since the announcement to reform the industrial, labor, and agricultural law, and the IMF and World Bank demands (with the participation of the president of the Republic).

7. 4 August 1985: An increase of provocations, with additional violent actions organized in order to simulate the alleged participation of FDP units and use the people's reactions against the FDP commands. This was accompanied by a series of actions orchestrated at an international level.

7. 5 This last period, because of the strategic importance of the seditious actions carried out by the adversary, deserves a particular analysis. This includes:

In the Foreign Sector:

a) Parallel to the last meeting of the Contadora Group, the U.S. State Department carried out the following countermeasures:

a. 1. Meeting in Panama of the U.S. ambassadors from the Central American area, in a military base, headed by Elliott Abrams, new assistant secretary of state for inter-American affairs. This meeting took place without even informing the Panamanian Government, although it was held on Panamanian territory.

a. 2. Advanced report, through an important U.S. newspaper, of an official document on the need to bring about the collapse of the Contadora Group. The authenticity of the document was confirmed by U.S. roving Ambassador Harry Shlaudemann during a tour to the countries that comprise the Support Group to Contadora (Peru, Brazil, Uruguay, and Argentina).

a. 3. Assistant Secretary Abrams requests meeting with Foreign Minister Jorge Abadia, in which Abadia protested the plan to make the Contadora Group collapse, which received broad international coverage.

a. 4. Talk between Ambassador Briggs and former Preisdent Ardito Barletta, to protest or the damage it was doing to Assistant Secretary Abrams.

a. 5. Border incident between Honduras and Nicaragua, with limited development, which was an additional destabilizing ingredient to the Contadora process.

The failure of these actions, which did not prevent the significant progress of the Contadora process in the meeting, faced by another aspect of the plot aimed at bringing about the collapse of the Panamanian government, in order to make it the weakest member of the Contadora Group, putting our country at the same level as Costa Rica.

b) In the Internal Sector:

Following the speech of Torrijist reaffirmation by General Manuel Antonio Noriega on 12 August, the seditious plot continued to be developed with the following series of actions:

b. 1. Kidnapping of Dr Mauro Zuniga for the dual purpose of reactivating Cocina [Coordinating Board for National Civilianization] as an organization to cover up political activities and also to divert reactions of repudiation toward Gen Noriega by means of a misinformation campaign through the media used to implement the plan.

b. 2. Murder of Dr Hugo Spadafora, blaming Gen Noriega for it by playing up the precedent represented by Zuniga's case, through the same media. In turn, this action gave further impetus to the coverup organizations, giving the adversary a pretext to pool their activities through a demand to appoint an investigation commission outside the purview of constitutional and legal rules and authorities and to further show that the authorities and the FDP lack credibility.

b. 3. Reinforcement of actions by the U.S. Administration in support of President Ardito Barletta, sidelining the FDP and the Torrijist forces. This included, among other things, the following:

a) Donation of $20 million to the Ardito Barletta administration;

b) Visit by Ambassador Briggs, followed by new statements of support for President Ardito Barletta;

c) Actions that represented a questioning of the new constitutional government, such as: suspension of the donation of $5 million; Ambassador Briggs' absence from the ceremony to present President Delvalle [to the diplomatic corps] cancellation of the military air show; dissemination of rumors about threats to the newspaper LA PRENSA attributed to Ambassador Briggs.

b. 4. Manipulation of the media abroad by making them raise questions about the legitimacy of the new government and the legitimacy of Panama's participation in the Contadora Group. In particular this was done by the Miami Group (Rodriguez, Adams, and Endara), PAPO leaders in Madrid, and PDC leaders at the ODCA (Christian Democratic Organization of America) meeting.

b. 5. Growing meddling by U.S. authorities through assessments of Panama's domestic situation, again through statements by U.S. Assistant Secretary of State Elliott Abrams and Ambassador Briggs about alleged efforts on their part to present Ardito Barlett's resignation and about the alleged "dangerousness" of the situation created by such a resignation in Panama.

b. 6. Attempts to mobilize middle class groups and popular sectors by using the Spadafora case.

b. 7. Attempts to win over members of the church hierarchy and Catholic Church groups in order to use them in the seditious plot.

8. Results of the Situation Brought About by the Application of the Seditious Scheme.

The Opposition's Achievement:

The Foreign Aspect

a) Success in the manipulation of certain important press media, especially in the United States;

b) Success in its exploitation of international relations via the ODCA;

c) Deterioration of the image of Panama abroad and of the new constitutional government.

The Internal Aspect

a) Have maintained public attention on the Spadafora case and in turn wore down the image of the FDP;

a) Have revitalized coverup civic organizations as instruments allowing the opposition to manipulate them at will (COCINA, medical groups, teachers, professors);

c) Have successfully exploit the new government's lack of definition and the economic and social policy to be followed;

d) Have successfully limited the credibility of the new government by creating an image of subordination to the allegedly "indecent" interests of the FDP;

e) Continue to enjoy a significant advantage in their handling of public opinion by taking advantage of the inefficiency of the governmental press;

f) Are showing a greater capability to manipulate their coverup organizations in contrast to an inefficient initiative and mobilization capability on the part of UNADE [National Democratic Union] organizations and support groups.

The Panamanian opposition, which lacks popular support at home, established a political alliance with enemies of Panama in the United States of North America. Their incapacity to reach politcal power through democratic and constitutional mans moved them to secure the support of enemy U.S. sectors that do not follow the policy of that country's administration in order to lead it to meddle in the internal affairs of Panama.

These actions are being carried out by anti-patriotic Panamanians headed by Mr Roberto Eisenmann, who is promoting a campaign against our country that reflects his obscure interests in an alliance with our enemies in the nation to the north.

Mr Eisenmann's Actions

1. Participation in the "McNeil-Lehrer Hour" (6 January 1986) in which he rapped the government and FDP and requested U.S. intervention in Panama and the suspension of all economic and military aid for our country.

2. Participation of Mrs Adelaida de Eisenmann (Roberto Eisenmann's aunt) in the Western Hemisphere Committee [as published] headed by Mr Jesse Helms in which she rapped the Panamanian Government and FDP (10 March 1986).

3. Participation of Mr Eisenmann in the Wilson Center (15 April 1986). He made violent statements against Panamanian authorities against which he levelled charges and slanders and reiterated the need for a U.S. intervention in Panama.

In this same meeting, Eng Dominador Kayser Bazan, Panamanian ambassador to the United States, refuted those charges. We must note the participation of Everett Briggs, U.S. ambassador to Panama, who said that none of Mr Eisenmann's charges were backed by any evidence. He said that the United States had no evidence and that the opposition in Panama has always levelled charges including drug trafficking to discredit the government and the Defense Forces.

4. Participation of Mr Eisenmann in the Women's Democratic Organization [preceding 3 words in English] (16 April 1986) in which he made similar statements.

5. Mrs Adelaida de Eisenmann distributed leaflets during a meeting of the Senate's Western Hemisphere Affairs Committee.

6. Mrs Adelaida de Eisenmann participated in a human rights subcommittee meeting (28 April 1986) in which she handed out leaflets. During this meeting, Mr Elliott Abrams declared that neither the government nor the FDP are involved in money laundering in Panama; the banks are.

Well-Known Enemies of Panama in the United States

1. Senator Jesse Helms (R-North Carolina), who opposed the Torrijos-Carter treaties in 1977 and their ratification in 1978. He is Panama's staunchist opponent and has launched a campaign against Gen Noriega and President Delvalle. He is the mastermind of the plan to Philippinize Panama and is against granting economic and military aid to our country.

2. Norman Bailey, former adivser to President Reagan in matters of national security and avowed enemy of Panama and of the FDP, has come out against Panama in the Senate and also through the written media (THE LOS ANGELES TIMES and other media). He was hired as a lobbyist by former President Ardito Barletta, but the contract did not take effect because Ardito resigned. He was the mastermind of the plan for a return of Ardito Barletta under the "theory" of the 90-day separation [from the presidency].

3. Chris Mannion, adviser to Senator Helms and avowed enemy of Panama. He made the arrangements for the Senate hearings and "leaked" information from Senator Helms' office against Panama.

4. Mrs Adelaida de Eisenmann (U.S. citizen), who styles herself as a defender of human rights in Panama and directs the press campaign against Panama in the United States. She acts as special correspondent for all articles originating in Washington against Panama. She actively misinforms the U.S. media about the situation in Panama.

5. Constantine Menges, former White House adviser for national security affairs and out-and-out enemy of Panama. He masterminded the plan to advance elections in Panama to 1989. He is in favor of a military intervention in Panama with Southern Command forces and supports intervention in Central America. They are supported in Panama by Ricardo Arias Calderon of the PDC, who has involved his party in this campaign; Gilberto Arias, through the newspaper EXTRA; lawyers Winston and Ivan Robles of the newspaper LA PRENSA; and others. [They are supported] in Miami by the group headed by banker Carlos Rodriguez, who is well-known for his involvement in the laundering of money.

Their Objectives in Panama Are:

1. To support, with their false accusations and lies, a sort of Philippinization of Panama under which the opposition would be given access to power, even if this has to be done unconstitutionally or through sedition or violence.

2. In exchange for this support, the new de facto government would:

A. Allow the Torrijos-Carter treaties to be revised (these are the true objectives of Helms, Menges, and Bailey) in order to keep the canal from reverting to Panama in the year 2000.

B. Pull Panama out of the Contadora Group (the PDC supports them in this regard) so our country will participate in full in the coming war in Central America and so there will be no obstacle, because of the Torrijos-Carter treaties, to use the U.S. military installations for defense of the canal for this same purpose.

C. As a minimum objective, in case the Torrijos-Carter treaties cannot be revised, to allow the presence of U.S. military forces to continue beyond the year 2000.

D. Through a noticeable campaign of misinformation and pressures, to curb and stymie the overall professional development of the FDP in order to keep them from meeting the minimum requirements to replace, as they should, the U.S. forces in the task of defending the Panama Canal by the year 2000. Logically, this would require a continued U.S. military presence to defend the canal.

COSTA RICA

ECONOMIC COUNCIL MEETS; COMMISSIONS CREATED

PA141354 San Jose Radio Reloj in Spanish 1200 GMT 14 May 86

[Text] During a meeting held by the Economic and Social Council yesterday morning, President Oscar Arias Sanchez gave his approval to a proposal to reoganize that council. In view of this, the new organization went into effect yesterday, said Vice President Jorge Manuel Dengo. He stressed that at the first session of this council they established the mechanisms to implement government policies. He said that with the reorganization of the economic council, the government is seeking a better decision-making system so the president and the executive branch can establish their specific policies and the government's guidelines. He added that the purpose of this decision is to have a better way of analyzing problems and proposing solutions to the president. Dengo said that ministers on the six commissions that make up the expanded economic council will present recommendations to that government organization.

During yesterday's session, it was agreed that the Finance Commission will be made up of: Eduardo Lizano of the Central Bank, Finance Minister Fernando Naranjo, and first Vice President Dengo. Meanwhile, Finance Minister Naranjo, Presidency Minister Rodrigo Arias, and Planning Minister Otton Solis will make up the public expenditure commission. The council decided that the emergency commission will be under supervision through the country's economic policy. [sentence as heard] This was done because it will be one of the six commissions which are part of the council. The name of the commission will be Emergency Expenditure Commission and it will be made up of Presidency Minister Arias and Planning Minister Solis.

Dengo announced that the Foreign Trade and Industrial Production Commission will be made up of Foreign Trade Minister Muni Figueres, Ariculture Minister Alberto Esquivel, and Economy Minister Luis Diego Escalente. The commission of public investments is made up of the planning minister, the president of the Central Bank, and the first vice president of the republic. In addition, the wage and price commission is made up of the labor, economy, and finance ministers.

OIJ, DEA AGENTS DISMANTLE DRUG TRAFFICKING RING

PA141328 San Jose Radio Reloj in Spanish 0100 GMT 14 May 86

[Text] An international drug trafficking ring which has been operating in our country, was dismantled by Judicial Investigation Organization, OIJ, agents. The report says that OIJ agents for over a year have been on the track of the drug traffickers, trying to find out who their contacts were inside and outside of the country. According to the report, most of the persons involved are Cubans and Colombians, who were using our country as a bridge to smuggle Colombian cocaine into the United States.

The OIJ and the U.S. Drug Enforcement Administration, DEA, carried out a joint operation in the southern part of the country, where they seized $50 million worth of cocaine. The cocaine, which to be sent from Farrita to the Atlantic coast and from there to Miami, came from Colombia.

The OIJ and DEA agents set up a watch a few days before the cocaine arrived at an airfield near Quepos. It was not long before a light plane landed supposedly to refuel. Two vehicles -- a Range Rover and an Isuzu L -- approached the plane and after a short time, the two vehicles left. The OIJ and DEA agents seized only 204 kg. Although this has been one of the largest hauls in recent years, the OIJ agents seized only 204 kgs of the 500 kg the drug traffickers were going to smuggle into the country. Apparently they were going to make two shipments, the first one was seized by the OIJ agents and the whereabouts of the rest of the shipment is now known, because apparently the drug traffickers changed their plans at the last moment.

A nationalized American of Cuban descent, who visits our country often, identified as Bienvenido Pita Gomete, was arrested in connection with the cocaine seized early this week in the southern zone. The OIJ agents were on Pita Gomete's track for over a year to try and arrest him at the right moment. He was expected to smuggle approximately 1,000 kg of cocaine. During the investigation the OIJ and DEA agents managed to learn about his contacts in Miami and Columbia. The OIJ and DEA agents had a list of the names of 15 persons linked to Pita Gomete. Another person who was with Pita Gomete at the time of his arrest, managed to escape but suffered a bullet wound. It is believed that he has not left the country because of the wound. The authorities are asking hospitals and persons to report anyone who comes for treatment for a bullet wound.

The OIJ agents in coordination with DEA agents are trying to arrest five other persons involved with the drug trafficking ring, who are supposed to be in Columbia. The OIJ and DEA agents are on the track of four Cubans, who live in the United States. According to reports, these persons are Pita Gomete's partners. Two Costa Ricans, one identified as Hernandez and the other as Pacheco, own the airfield near Quepos, which was used to transport the cocaine. The OIJ identified them after Pita Gomete contacted them at their homes in [word indistinct] and in Escazu. The airfield owned by the Costa Ricans is located near Quepos College. So far, the authorities still have not confirmed the participation of the two Costa Ricans in the drug trafficking, OIJ officials reported.

GUATEMALA

DEPUTY CALLS FOR RELATIONS WITH GREAT BRITAIN

PA141401 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 14 May 86

[Text] Deputy Rodolfo Maldonado, president of Parilament's Foreign Affairs Commission, has said that the Belize problem between Guatemala and Great Britain must be discussed within a democratic framework through peaceful and political means. Therefore, we must establish diplomatic relations in order to make this possible. Rodolfo Maldonado showed his preference for a dignified solution for the peoples involved in this problem which has not received just treatment for several hundred years. The Belize problem has not been a part of our foreign policy and Guatemala has fallen into international isolation. This has prevented dialogue with our opponents. Any possibility of establishing diplomatic relations with Great Britain is very important and positive, Rodolfo Maldonado said. Deputy Maldonado said Guatemala must put aside the stubbornness shown by previous regimes regarding this problem and start working on peaceful, political negotiations in which discussions are respected. A dialogue will only be possible within a democratic framework. The establishment of relations between Guatemala and Great Britain would be a first step in that direction, Rodolfo Maldonado said.

GUERRILLAS DEMAND CEREZO PURGE MILITARY

PA130305 Panama City ACAN in Spanish 2136 GMT 12 May 86

[Text] Managua, 12 May (ACAN-EFE) -- The Guatemalan revolutionaries here today "demanded" that Guatemalan President Vinicio Cerezo reorganize the "repressive apparatus" of the state "in the short term" and purge the "corrupt and repressive" military command. The Guatemalan National Revolutionary Unity (URNG) asked Cerezo to prove his "executive power" and fulfill the promises he made during his electoral campaign to "democratize" Guatemala.

In a statement issued by the URNG General Command distributed in Managua, Cerezo is urged to be "coherent and abide by" the commitments made to his people before and after he was sworn into office. The URNG has asked the Guatemalan president to implement, "in the short term" a reorganization of the state's "repressive apparatus" for the good of "the true national interests and the people." According to the URNG, Cerezo must carry out a "real and effective purge of the corrupt and repressive military and police commands."

The Guatemalan revolutionaries suggested the "elimination of the paramilitary bands and the private armies" that exist in Guatemala. They have demanded "punishment for the people responsible with planning and carrying out murders, tortures, and disappearances" in Guatemala.

The URNG communique also asks for the dismantling of the self-defense patrols and the model villages, and to grant the "full right of association in the countryside." However, the rebel organization feels that the promises and offerings made by Cerezo "are part of a broad and deep counterinsurgency maneuver" and that repression in Guatemala has not disappeared but, rather, "has increased." The Guatemalan guerrillas have predicted that if Cerezo does not keep his promises, his government "will sink in a repressive and counterinsurgency policy, and his policy as a democratic alternative will be definitely canceled".

HONDURAS

AZCONA DENIES SECRET TALKS HELD WITH NICARAGUA

PA150142 Panama City ACAN in Spanish 0120 GMT 15 May 86

[Excerpt] Tegucigalpa, 14 May (ACAN-EFE) -- The president of Honduras today denied that he or his government had held secret talks with Nicaragua as reported yesterday by a U.S. newspaper. According to Boston's CHRISTIAN SCIENCE MONITOR, "Honduras and Nicaragua are holding secret talks and share intelligence reports on the anti-Sandinist counterrevolutionaries based in Honduras and supported by the United States."

In an official communique issued by the Presidential Palace in Tegucigalpa, Jose Azcona Hoyo denied this information. "On several occasions Honduras has emphatically denied holding this type of talks with the Sandinist government or with Nicaraguan President Daniel Ortega," the communique states. The communique adds that Honduras is only interested in finding solutions to its many national problems and in supporting the peacemaking efforts of the Contadora Group in the Central American region. The official communique reiterates that the government of the republic "strictly abides by the principle of defending the interests of Honduras."

NICARAGUA

MANAGUA SILENT ON ABADIA'S CONTADORA REMARKS

PA150334 Paris AFP in Spanish 0259 GMT 15 May 86

[Text] Managua, 12 May (AFP) -- For the time being, the Sandinist Government has refrained from confirming or denying Panamanian Foreign Minister Jorge Abadia's statement in Lima today to the effect that Nicaragua has made a written commitment to sign the Contadora document on 6 June. Abadia's announcement, which has so far not been echoed by any official circles in Managua, coincides with similar statements by Colombian President Belisario Betancur last week.

During the past weekend, Nicaraguan President Daniel Ortega stressed that the Sandinist government will not sign the Contadora document as long as the United States does not make a commitment to "cease its aggression" against Nicaragua. However, during a press conference on Wednesday, Defense Minister Humberto Ortega declined to answer directly whether or not Nicaragua is maintaining this stance. The military leader would only indicate that the Sandinist government will announce its final stance regarding the Contadora document in the next few days. According to analysts, Nicaragua might make up its mind to sign the document in order to prevent the United States from "closing its political, diplomatic, economic, and military encirclement against the revolution," as the defense minister reported.

REPORTAGE ON HUMBERT ORTEGA NEWS CONFERENCE

Scores U.S. Policies

PA142255 Panama City ACAN in Spanish 2200 GMT 14 May 86

[By Filadelfo Martinez]

[Excerpts] Managua, 14 May (ACAN-EFE) -- Humberto Ortega, commander of the Armed Forces and defense minister of Nicaragua, said today that the United States is increasing its efforts to place that country in a "state of siege," and to isolate it from the rest of Latin America and Western Europe. Ortega asserted, during a statement which lasted more than 2 hours and referred to the country's political-military situation, that the Reagan administration has increased its actions against Nicaragua since January, in the military, political, diplomatic, commercial, and economic-financial sector. The military commander warned that the conditions for achieving peace in the region do not exist, due to the current circumstances and following 4 months of a U.S. boycott of the Contadora Group's efforts.

Ortega, who was accompanied by Captain Ricardo Wheelock chief of military intelligence, and Deputy Commander Roger Miranda, chief of the service division of the secretariats, gave details about the presence of thousands of U.S. soldiers in Central America. He revealed that Washington is using unmanned aircraft to carry out reconaissance flights over all the Nicaraguan territory.

Ortega also gave details of what he described as an "increase" in the U.S. military presence in Costa Rica, a country which is already spending 20 percent of its budget for military plans, he said. He also said that the United States is "desperately" trying to create a Central American Defense Council (Condeca), which would exclude Nicaragua, and to reactivate the Inter-American Reciprocal Assistance Treaty (TIAR).

He said: Given the situation, Nicaragua "will not back down one millimeter" in the process of arming itself, not to attack anyone, but to defend itself. He even warned that the Sandinist government will install a factory to produce hand-made weapons, according to the country's resources. Ortega explained that Nicaragua is capable of mobilizing 300,000 armed men to counter a direct U.S. military invasion. He also revealed that Nicaragua has more than 18,000 officers who have completed various specialization courses abroad and are capable of fulfilling the needs of the country's Army.

AFP Report

PA142309 Paris AFP in Spanish 2207 GMT 14 May 86

[Excerpts] Managua, 14 May (AFP) -- Today Nicaraguan Defense Minister Humberto Ortega accused the United States of blocking the contadora Group's peace negotiations, in order "to establish a political and military siege against Nicaragua, and thus be able to launch its interventionist escalation." At a press conference this Wednesday, Ortega said that Washington is trying to close what he described as an "economic, political, and military siege" against the Sandinist revolution, making Nicaragua appear to be "stubborn at a dramatic moment in the regional peace negotiations."

A month ago, President Daniel Ortega said that Nicaragua could not stop acquiring arms or reduce its Army -- a point considered by Contadora -- while the United States supports the anti-Sandinist guerrillas and establishes a military "interventionist" infrastructure in Honduras. Nevertheless, the defense minister declined today to confirm if Nicaragua will maintain its position of not signing the peace document if the Reagan administration does not express a commitment to end the aggression. The chief of the Sandinist People's Army (EPS) said that within the next few days the government will reveal its position on the complex topic of the peace negotiations, which was interpreted by analysts as a possibility of Nicaragua changing its position regarding the document.

Meanwhile, Ortega pointed out that even when the United States "commits" itself to not support the rebels any longer, Nicaragua cannot be careless with its defense. "Who is going to guarantee that later on the United States will not attack us," the Sandinist leader said, warning that "we will always have an Army capable of confronting the worst variation of interventionism." He said that "the U.S. effort to boycott" the Contadora peace efforts will, in the next few months, create "a deepening of the military crisis" in the region.

Under those circumstances Nicaragua will continue to make efforts to acquire more arms, he said. "If we can arm 400, 500, or 600,000 men we will do it. If all of them do not have rifles, grenade launchers, or modern weapons, we will make efforts to acquire them" he pointed out.

Ortega said that the Sandinist government is not willing to break its ties and agreements with the socialist countries, the leading suppliers of Army material. However, he said that the Nicaraguan Army is based upon a "purely defensive strategy in order to face the danger of a U.S. invasion." "It is not an expeditionary Army because of the revolution's principles and because we do not have the transportation and logistics necessary for that," Ortega said.

Further on Weapons Factory

PA142258 Panama City ACAN in Spanish 2229 GMT 14 May 86

[Excerpts] Managua, 14 May (ACAN-EFE) -- Humberto Ortega, Armed Forces Commander and Nicaraguan defense minister, announced today that Nicaragua will soon have its own weapons factory. The Sandinist official noted that Nicaragua manufactures the home-made mines which are placed in the country's frontier areas to check the activities of the "counterrevolutionaries." There are also fields in the border areas mined with foreign mines, he added. Nicaragua will operate the weapons factory under the guidelines of survival economics followed by his country, the military officer said. The new factory will manufacture mines, ammunition, knives, and other implements.

Contacts With Honduran Military

PA142326 Paris AFP in Spanish 2232 GMT 14 May 86

[Excerpt] Managua, 14 May (AFP) -- Defense Minister Humberto Ortega reported today in Managua that the Nicaraguan military commanders keep in contact with their Honduran counterparts in the border areas. Ortega said today during a news conference, without providing any names or dates, that Sandinist leaders have "even traveled to Honduran territory to talk and to avoid clashes between the Armies of the two countries." Ortega made reference to news reports from Washington indicating that "Honduras and Nicaragua hold secret talks and exchange intelligence on the anti-Sandinist 'contras' based in Honduran territory."

"There have indeed been contacts," said Ortega, who declined to specify whether the Honduran authorities gave a green light during the Holy Week for Sandinist soldiers to enter as far as the camps of the Nicaraguan Democratic Force (FDN), which were severly hit. "We make constant efforts to communicate with the authorities of neighboring countries," for the sake of good relations, he said.

HONDURAN OFFICIAL DISCUSSES TRADE PROSPECTS

PA141320 Managua BARRICADA in Spanish 13 May 86 p 1

[Text] A $10 million trade exchange based upon the barter system will be carried out between Nicaragua and Honduras, according to reports by Honduran Finance Secretary Reginaldo Panting, who arrived in Nicaragua last night to lead the second round of negotiations, in which representatives of the Honduran private business sector will also participate. Panting also referred to the negotiation of a possible agreement that will allow Honduras to fish in Nicaraguan waters. When asked if economic relations with Nicaragua could contribute to solving the present problems between the two countries, he said that the fishing agreement, precisely, would help to "smooth away the rough edges."

"The agreement will help to make our relations friendlier and the two countries will benefit," he said, later referring to the counterrevolutionaries' presence in Honduran territory and their impact on coffee production, pointing out that the contras as well as the "refugees" have affected the eastern part of the country "in one way or another." Panting also said that Honduras hopes the new negotiations that will take place during the next few days with the Contadora Group will serve "to solve this problem." When asked about the amount of economic damages caused by the contras in his country, he said that he could not say "how much the damages amount to."

Meanwhile, Panting said that Honduras is interested in revitalizing the Central American Common Market because it needs participation and exports from all the countries "to succeed." In this respect he added that in regard to Nicaragua there is interest in exporting as well as importing different products, a list of which will be established by the private business sector. Panting was greeted at the airport by Nicaraguan Foreign Trade Minister Alejandro Martinez Cuenca.

EL NUEVO DIARIO ATTACKS HONDURAS' AZCONA

PA132326 Managua EL NUEVO DIARIO in Spanish 13 May 86 pp 1, 8

[Editorial: "From President to Spokesman"]

[Text] The president of the brother people of Honduras is completing his first 100 days in office. According to political observers, during this period of time presidents reveal their true natures and the paths which their governments will follow. When Jose Azcona Hoyo took over as president in February, some described his country's situation as humiliating, while others felt it was desperate. The occupation of Honduras by thousands of Yankee Marines intent on dragging his people into a fratricidal war, made the rescue of that country's sovereignty an urgent matter. The memory of the current president's campaign pledges to actively strive for peace and to rid his country of the Somozist stench gave the people cause for hope.

However, the pledges were left behind. Eschewing his chief task of rescuing Honduras' sovereignty, after some initial squeamishness, the brand-new president gradually conformed to the servile stance of his predecessors. Having changed his position of president to that of U.S. spokesman, Azcona Hoyo -- who less than 3 months ago called Nicaragua a "brother people" and demanded its right to self-determination -- now tolerates the U.S. aggression and promises to behave like an ostrich if the United States invades us.

During yesterday's press conference, Azcona Hoyo brazenly stated that if the United States attacked us directly, his government "will remain neutral, although, of course, it would not condemn the invasion." The same man who pledged to strive to improve relations with our country during his presidential campaign, yesterday affirmed his total readiness to join the United States in a war against Nicaragua under the pretext that his country was being invaded.

Last week in Costa Rica, his position as a U.S. lackey took an international turn, as he and Salvadoran President Jose Napoleon Duarte were the only ones to isolate themselves from Latin America to follow U.S. President Ronald Reagan's warmongering stance. An assessment of the first 100 days of the Azcona Hoyo government gives a result shameful to any Honduran, and, why not say it, to all Central Americans.

PASTORA CONVENES SUPPORTERS FOR CONFERENCE

PA140349 Panama City ACAN in Spanish 0108 GMT 14 May 86

[Text] San Jose, 13 May (ACAN-EFE) -- Eden Pastora (Commander "Zero") met today with a part of his loyal general staff and fighters someplace in Nicaragua to reorganize the guerrillas, sources close to ARDE said.

This is the first action by the Nicaraguan rebel leader following the announcement that six of his regional commanders had repudiated him to join the forces of Fernando "El Negro" Chamorro, who is an ally of the FDN, a group which "Cero" has labelled as Somozist. According to the sources ACAN-EFE was able to contact, the meeting is taking place on "the other side of the Rio San Juan" which divides the Costa Rican and Nicaraguan territories.

According to the information gathered today, the meeting's agenda included just two items: reorganizing the armed struggle in a more limited space, and restructuring the Southern Cpposition bloc (BOS), a political and military alliance in which ARDE has a major role. The agreements reached were not disclosed. However, they were written in a document that will be delivered to the press tomorrow during a pess conference to be held in San Jose.

Eden Pastora has not commented on the actions by his former commanders. However, Karol Prado, Pastora's political representative in this capital, said that he does not criticize his comrades who repudiate him, "but rather those who are taking advantage of their needs and are manipulating them." Pastora is the only rebel chief who has not participated in the distribution of U.S. funds to aid the "contras," and has supported himself for 2 years, thanks to the contributions of "democratic friends."

Ends Struggle, To Seek Asylum

PA141806 Madrid EFE in Spanish 1718 GMT 14 May 86

[Excerpt] Washington, 14 May (EFE) -- Eden pastora, the legendary Commander Zero of the Sandinist revolution from which he withdrew in 1981, will also abandon the counterrevolutionary struggle and will request politcal asylum, sources close to the rebel leader told EFE. On Friday Pastora will hold a news conference in the Nicaraguan jungle to announce, again, that he is abandoning the armed struggle "because I cannot ask my men to continue dying when the United States does not recognize us or give us money, and top of that, divides our troops," Pastora's spokesman in Washington, Leonel Teller, said.

On that same day, at different points of the border with Costa Rica, Pastora will turn over to the International Red Cross (IRC) between 400 and 500 of his troops and request they receive assitance. He will also ask the IRC to help remove from Nicaragua other supporters fighting deep inside Nicaraguan territory.

Teller said pastora "understood" the abandonment by four of his seven field commanders, who last week joined the forces of Fernando "El Negro" Chamorro, an ally of the Nicaraguan Democratic Forces (FDN), the "high command" of which is made up of 12 former officers in the Somoza National Guard and a civilian who is a son of a former officer. However, the statements by a spokesman for President Reagan on Monday "exhausted his supply of patience" and led Pastora to the decision to abandon the struggle.

CONTRA FORCES TO REORGANIZE, U.S. CRITICIZED

PA150312 Panama City ACAN in Spanish 2100 GMT 14 May 86

[By Juan Ramon Rojas]

[Excerpts] San Jose, 14 May (ACAN-EFE) -- The anti-Sandinist forces struggling in the south of Nicaragua have entered a reorganization phase after six of Eden Pastora's commanders decided not to recognize him as their leader and to join another rebel group supported by the United States.

Six ARDE zone commanders announced last week that they will continue their struggle against the Managua regime under the command of Fernando "El Negro" Chamorro of the Nicaraguan Democratic Force's (FDN) southern front. ARDE is a member of the Southern Opposition Bloc [BOS] organization founded in August 1985. BOS today attributed Eden Pastora's removal to a "maneuver" to weaken the organization.

Alfredo Cesar, member of the BOS executive directorate, said that this division within ARDE, one of the four groups that form the coalition, was "the result of coercion, pressure, and misinformation" from other anti-Sandinist forces. Jose Davila, until last week the main political leader of Pastora's in this capital city, has also abandoned BOS. During a news conference held today in this capital city. Cesar said that Davila resigned from his office because, according to what he stated in a letter, it is "not compatible" with the representation of the six commanders who have joined the FDN.

A BOS spokesman blamed some U.S. Government "agencies" for this division in Eden Pastora's forces. The BOS, Cesar said, will send a letter to Elliott Abrams, assistant secretary of state for inter-American affairs tomorrow to protest this situation.

The anti-Sandinist spokesman added that last month, Abrams had said that U.S. policy had undergone a change and that from now on, it would give an equal share of support and help to UNO [Nicaraguan Opposition Unity], BOS, and the Indians on the Nicaraguan Atlantic coast who are up in arms. Alfredo Cesar pointed out that this announced stance is contradicted by the stance adopted by "some members of the U.S. agencies who pressured and coerced" the ARDE commanders to leave Pastora. Adolfo "Popo" Chamorro is now the only ARDE representative in BOS.

NUNEZ DISCUSSES OUTLINES OF FUTURE CONSTITUTION

PA140440 Panama City ACAN in Spanish 2132 GMT 13 May 86

[Text] Managua, 13 May (ACAN-EFE) -- Carlos Nunez, president of the National Constituent Assembly, said today that "it would be foolish to approve a socialist constitution in this country." The Sandinist leader said that the constitution he wants for Nicaragua must reflect the interests of the nation and should be neither dogmatic nor sectarian.

During a press conference in this capital, Nunez said that the constitution of this country must incorporate revolutionary changes, but should not be like a strait jacket. He added that the maximum Nicaraguan legal stature must be a historical document guided by modern constitutional theories. The parliament president pointed out that the Nicaraguan constitution "will be recognized as a constitution here, in Latin America, the United States, Western Europe, and the socialist bloc."

Nunez convened the press to announce the schedule for 75 open town council meetings (popular sectorial assemblies to make consultations) that will begin next Sunday in Managua. Opposition parties such as the Independent Liberal Party (PLI) and the Democratic Conservative Party of Nicaragua (PCDN) have not yet decided whether they will participate in the open town council meetings that will be held thoughout the country.

Nunez said: Should the six political parties represented in the National Assembly withdraw from discussions on the constitution, the FSLN would not seize the opportunity to draft a Socialist constitution, "that would be foolish." There are five other political parties in Nicaragua not represented in the National Assembly, but they have legal status. Militants of those opposition parties can participate in open town council meetings, but cannot engage in political activities. They may express their opinions on how the Nicaraguan constitution should be.

Nunez, who is one of the nine members of the FSLN National Directorate, said: "All political parties should leave a mark on the constitution." Participants in the open town council meetings that will begin next Sunday will only be allowed to express their views on a draft constitution presented by President Daniel Ortega on 21 February before the National Assembly. Commander Nunez said that the Sandinists will ensure that the open town council meetings will not turn into partisan quarrels. It is still not known when the constitutional debate will begin in the National Assembly plenum or the probable date when the constitution will be finally approved.

XAVIER CHAMORRO OFFERS TO PURCHASE LA PRENSA

PA122114 San Jose LA NACION (Nicaragua HOY supplement) in Spanis 3 May 86 pp 1-C, 3-C

[Text] Managua -- Xavier Chamorro, director of the pro-Sandinist paper EL NUEVO DIARIO, has admitted making an offer to by LA PRENSA from his brother Jaime Chamorro Cardenal, co-director of the opposition newspaper. Xavier Chamorro insisted that "it is a commercial offer without political implications." According to the media, Xavier offered "many millions of dollars" for LA PRENSA, which made Jaime and his family believe that the Sandinist government was behind this, in a new maneuver to subdue LA PRENSA. Xavier Chamorro admitted that he does not have the money to buy LA PRENSA, but said he believed that he could come up with it and that is why he made the offer.

The Chamorro Cardenal family immediately discussed the offer, with the expected result: a decision to refuse any offer to buy LA PRENSA, considering it to be an offense to the memory of the journalist and martyr Pedro Joaquin Chamorro Cardenal, who was killed in 1978 because of his unyielding defense of the public liberties of the Nicaraguan people. Jaime Chamorro said he believed that his brother Xavier is being used by Sandinist officials to pressure LA PRENSA and in reality the purchase offer could herald new types of pressure against the newspaper.

We have learned that Xavier privately told his brother of his fear that "something might happen" to Jaime because of the points of view that he expressed abroad with regard to the fight between the Sandinist regime and the armed counterrevolution.

Jaime has stated that the plan seems clear: to force the sale of LA PRENSA in order to give the newspaper a certain degree of freedom to cirticize the government -- but not on any crucial issues -- therefore giving the impression to the world that there is freedom of the press in Nicaragua. "LA PRENSA has become a serious problem for the Sandinists and they do not know how to do away with it," Jaime Chamorro said.

We have also learned that the relations between the two sides of the Chamorro family deteriorated even further because of the incident regarding the unsuccessful "purchase."

LA PRENSA ANNOUNCES DELAY IN DELIVERY SERVICE

PA130425 Managua LA PRENSA in Spanish 10 May 86 p 8

[Text] We are forced to inform that beginning with our Monday, 12 May edition, LA PRENSA will reach our subscribers early on the following day due to reasons not under our control. We will begin our delivery service at 0500. We ask our subscribers to be understanding regarding this delayed service. Any complaint or information in this regard, call telephone number 41051.

BRIEFS

USSR INDUSTRIAL PLANT DONATION -- In Region 2, the COSMAPA industrial plant will begin operations. The plant cost $300,000 which was donated by the Soviet Union. This plant is located in Chinandega and will have three machines to produce asphalt and prefabricated concrete pieces, and a grinder that will partially solve the lack of raw materials, and will guarantee the construction of 35 km of road. [Summary] [Managua Sistema Sandinista Television Network in Spanish 0200 GMT 7 May 86 PA]

NEW MISKITO LABOR UNION -- The Miskito Workers Labor Union [Sindicato de Trabajadores Miskitos -- SITRAMISK] is a new Nicaraguan labor union whose headquarters in Managua will be inaugurated on 1 May. The new labor group also encompasses other labor unions whose members are not all Miskitos. The SITRAMISK secretary general is Eugenio Urbina Coban. The creation of SITRAMISK was supported by the Confederaion for Unity of Trade Unions, CUS. [Summary] [Managua LA PRENSA in Spanish 30 Apr 86 pp 1, 16 PA]

HUNGARIAN DONATION -- As part of the "Nicaragua Must Survive" campaign, the Hungarian Solidarity Committee has donated a large quantity of medicine, clothes, canned food, and tents to Nicaragua. The Hungarian Embassy second secretary delivered the donation to a member of the Nicaraguan Committee of Solidarity With the Peoples. [Summary] [Managua Sistema Sandinista Television Network in Spanish 0200 GMT 9 May 86 PA]

COOPERATION AGREEMENTS WITH USSR EXTENDED

FL142220 Havana Radio Periodico Del Aire in Spanish 2130 GMT 14 May 86

[Text] The documents that extend cooperation between the Soviet Union's agroindustrial complexes and the Cuban Agriculture and Sugar Ministries have been signed in Havana. One of the agreements was from the third meeting of the Joint work Group for Agricultural Development Cooperation in the Republic of Cuba in association with the intergovernmental Cuban-Soviet Commission for Scientific-Technical Cooperation.

MPSP, SOVIET PEACE COMMITTEE HOLD MEETINGS

Sign Agreement

FL130250 Havana Radio Reloj Network in Spanish 0208 GMT 13 May 86

[Text] The Cuban Movement for the Peace and Sovereignty of the Peoples [MPSP] and the Soviet Committee for the Defense of Peace [SKZM] have taken an important step with the signing of a bilateral cooperation agreement at a time when humanity is threatened with a world war. Upon signing the document MPSP President Orlando Fundora called the act a historic moment between the Soviet Union and Cuba. Georgiy Grechko, cosmonaut and SKZM deputy chairman, signed the agreement on behalf of his organization and said that he would add to Fundora's comment a statement made by Fidel Castro: There is no peace without development and there is no development without peace. Also at the MPSP headquarters were cosmonaut Arnaldo Tamayo, two other SKZM representatives, and Soviet and Cuban officials.

Cosmonauts Participate

FL131820 Havana Television Service in Spanish 1700 GMT 13 May 86

[Text] The delegation of the Soviet Committee for the Defense of Peace that has been in Cuba since last Saturday has participated in a roundtable discussion that took place at the headquarters of the Cuban Movement for the Peace and Sovereignty of the Peoples. Soviet cosmonaut Georgiy Grechko, Cuban cosmonaut Arnaldo Tamayo, and Dr Jose Altshuler, president of the Intercosmos Council of the Academy of Sciences, participated in the roundtable, the subject of which has the cosmos and its peaceful uses. At the meeting it was postulated that among the most important problems of practical Soviet cosmonautics is that of studying the Earth's surface, not only to favor science but to favor the economy. Space belongs to all humanity. To use it for peaceful goals can aid the union of all mankind and improve living conditions. At this roundtable, it was ratified once again that to struggle for peace is to struggle for the life of all humanity.

Imperialists Hit on Arms Race

FL132300 Havana Radio Periodico del Aire in Spanish 2130 GMT 13 May 86

[Text] The Cuban Movement for the Peace and Sovereignty of the Peoples and the Soviet Committee for the Defense of Peace today in Havana City accused imperialist circles of intensifying the arms race and threatening peaceful coexistence.

The declaration was formulated in the text of a cooperation agreement signed between the two institutions that makes mutual commitments to coordinate actions in favor of peace and disarmament.

Soviets Meet MPSP Secretariat

FL142238 Havana Radio Periodico del Aire in Spanish 2130 GMT 14 May 86

[Text] Pilot-cosmonaut Georgiy Grechko, hero of the Soviet Union, and his delegation have had a friendly meeting with the Secretariat of the Cuban Movement for the Peace and Sovereignty of the Peoples. Grechko, deputy chairman of the Soviet Committee for the Defense of Peace, is in Cuba at the MPSP's request and they have completed an extensive program of activities.

PERU'S FISHING COOPERATION AGREEMENT EXTENDED

FL130220 Havana Radio Reloj Network in Spanish 0203 GMT 13 MAY *¢

[Text] Fishing industry ministers from Cuba and Peru, Jorge Fernandez Cuervo and Jose Palomino, respectively, have analyzed in Lima several aspects of bilateral cooperation in that area. The most outstanding aspect in the fishing cooperation agreement is a 6-month extension on the loan of two large Cuban ships that ship at no charge for Peru and at the same time train the crew of Peru's future fleet. At the end of the meeting with his Peruvian counterpart, Fernandez Cuervo told the press: We Cubans understand cooperation to be a moral stimulus and solidarity is the highest sentiment. For his part, the Peruvian fisheries minister stressed the importance of Cuban cooperation in the fishing area. On Friday, the Cuban delegation will meet with Peruvian President Alan Garcia.

GHANAIAN ASHANTI KING TOURS ISLE OF YOUTH

FL142340 Havana Radio Reloj Network in Spanish 1802 GMT 14 May 86

[Excerpt] The Ghanaian Ashanti King [Otqmfuo Opoku Ware Ii] arrived today at the Isle of Youth to tour historical and economic sites in the special municipality. Upon arriving at the Nueva Gerona Airport, Miguel Alvarez, president of the municipal assembly of the people's government, and Elisa Wong, education vice-minister, welcomed the illustrous Ghanaian leader. The king was accompanied by Giraldo Mazola, Cuban foreign vice minister.

ECONOMIC COOPERATION TALKS WITH SRI LANKA HELD

FL141826 Havana Television Service in Spanish 1700 GMT 14 May 86

[Text] Gamini Dissanayake, minister of land of the Democratic Socialist Republic of Sri Lanka, and Ernesto Melendez, minister president of the State Committee for Economic Cooperation, began talks at the headquarters of the state committee in order to study the possibilities of cooperation between the two nations. During the meeting, the officials discussed cooperation in agriculture, public health, and the fishing industry.

REPORTS INDICATE NO REAL CHANGES IN HAITI

PA141300 Havana International Service in Spanish 2300 GMT 13 May 86

["Our America" commentary read by Manolo Ortega]

[Text] This weekend the Haitian Justice Ministry reported that political prisoners apprehended during the Duvalier regime may be considered missing. With the report of the possible death of almost 30,000 people, another chapter of the past dictatorship's horror is -- apparently at last -- closed, but its power structures remain almost intact in that Caribbean country. Daily reports from Haiti clearly demonstrate that a tense political and social situation prevails, characterized by popular demonstrations against the junta headed by General Henri Namphy. The current governing junta, most of whose members maintained strong ties with the Duvalier regime, is carrying out economic and military policies that are very similar to those carried out by Jean-Claude Duvalier, ia situation that the U.S. Administration is pleased about.

When repeated and massive demonstrations against the deposed dictatorship showed that Baby Doc's days were numbered, the U.S. Government in an open maneuver did everything possible to reverse the situation in its own favor. At the present time, the repression, the lack of reforms, and the lack of solutions to important economic problems demonstrate that there has only been a simple change of figures in Haiti. As this deceit has not gone unnoticed by the people, there are constant demonstrations of rejection that could lead to an intensification of the crisis and, therefore, to a real change toward new democratic forms of government. Of course, this fact is no secret to the White House, which has started adopting measures that -- under the guise of economic aid -- control popular demands.

In this regard we can site the $5 million in aid from USAID to finance small- and medium-sized industrial businesses and to encourage the diversification of agricultural and agroindustrial activities. We must also site the recent visit to Haiti by Elliott Abrams, assistant secretary of state for inter-American affairs, and that of Brigadier General Frederick Gordon, director of the U.S. Defense Department inter-American region, who signed agreements with local authorities which, although not published, establish a precedent of mutual collaboration that does not favor the Haitian people. Everything points to the fact that the United States is paving the way to gain control of the Haitian situation through reformist-type solutions, without taking into account that sooner or later the Haitian people will have the last word.

HAITIAN COMMITTEE PROPOSES GOVERNMENT PROGRAM

PA131518 Havana International Service in Spanish 0000 GMT 13 May 86

[Text] The Haitian Democratic Unity Committee has called for the return of lands stolen from peasants by Jean-Claude Duvalier's former regime as part of a 17-point proposed government program that was announced in Port-au-Prince by that organization. The committee, founded in March, also called for an end to the retirement program that benefits military officials from the overthrown government and that allows them to evade the law. The Haitian Democratic Unity Committee, which does not call itself a political party, also proposed that ministries be placed under the people's control to prevent the squandering of public funds.

SPECIAL TROOPS CONTROL NORTHERN HAITIAN CITY

FL101458 Havana Radio Reloj Network in Spanish 1425 GMT 10 May 86

[Text] Special troops of the Haitian Army have taken control of strategic sites in the northern city of Fort Liberte while protests increase against the National Government Council [CNG]. Added today to the peoples demonstrations that have been violently repressed is that of (Constan de Penon), Democratic National Unity Party [as heard] presidential candidate, who disqualified the CNG because of its ties to former Haitian dictator Jean-Claude Duvalier. (De Penon) said the CNG is no more than a provisional formula to avoid a bloodbath in Haiti and is not even capable of preparing a democratic and definite constitution. Colonel Henri Namphy's government, besides being an opaque reflection of the previous regime, is incapable of predicting or resolving the economic and political situation in Haiti, stressed (De Penon).

RADIO REPORTS ON DEMONSTRATIONS IN PARAGUAY

PA140422 Havana International Service in Spanish 2300 GMT 13 May 86

[Text] Early this morning, the Paraguayan police surrounded the medical faculty in Asuncion, where a march to demand a larger budget for health and education and the release of a Paraguayan leader was scheduled to begin. The police barred the entrance to the installation to prevent the organization of the march, which was to reach the Justice Palace. Doctors, nurses, students, and employees are demanding the release of leader Carlos (?Sumizola), arrested and held incommunicado since 2 May.

The Paraguayan police last night repressed groups of students who tried to enter the engineering faculty, also in Asuncion, to prevent them from holding a general assembly. Tomorrow, Wednesday, the 175th anniversary of Paraguay's independence, the opposition plans to carry out a demonstration to demand the end of repression and a dialogue that will lead to a transition to a democratic government system. The decision to hold this demonstration was adopted after General Alfredo Stroessner's regime prohibited the holding of a popular rally at the Plaza Italia in Asuncion, and threatened unrelenting repression. The demonstration was then organized at the headquarters of the Febrerista Revolutionary Party, the only party that has been legalized of the four political organizations that form the National Accord.

CEMA COMPUTER TECHNOLOGY AGREEMENT SIGNED

FL091734 Havana Radio Progreso Network in Spanish 1600 GMT 9 May 86

[Text] An agreement was signed in Havana at the 11th meeting of the work group for the application of computer technology in domestic trade during the CEMA domestic trade ministers conference. Representatives from the CSSR, Bulgaria, Hungary, GDR, Cuba, Poland, and the Soviet Union signed the document.

ELECTRICAL COMPONENTS TO BE SOLD TO GDR

FL130058 Havana Radio Rebelde Network in Spanish 2300 GMT 12 May 86

[Text] Cuba will supply the GDR with electrical components this year. The protocol detailing the sale was signed at the sixth session of the electrical commission meeting for economic cooperation between Cuba and the GDR.

BULGARIA SIGNS INFORMATION EXCHANGE AGREEMENT

FL082342 Havana Radio Rebelde Network in Spanish 2300 GMT 8 May 86

[Excerpt] An agreement that includes an important exchange of scientific and technical information was signed this afternoon by the Cuban National Construction Architects and Engineers Union and the Bulgarian Scientific and Technical Society. The protocol was signed by Architect Pedro Galiano (Blanes), president of the Cuban institution, and Professor Ivan Popoff, distinguished Bulgarian scientist who presides over the Bulgarian Society of Sciences and Technology.

EXPERTS BEGIN ANGOLAN STATISTICAL STUDY

FL101834 Havana Television Service in Spanish 1700 GMT 10 May 86

[Text] A team of experts from the Cuban State Committee for Statistics has begun a study in Luanda, Angola, to recommend the creation of a national statistical system. These projects are in response to a request from the Angolan ministry responsible for statistics. The work is being carried out at the Angolan National Institute of Statistics. This will create a basis for a national network with intermediate structures for direction and control. Cuba's civilian cooperation with Angola includes important social-economic sectors as part of the aid provided for Angolan national reconstruction since its proclamation of independence.

GUZMAN VIEWS PROBLEM OF IDLE INVENTORIES

FL142137 Havana Radio Rebelde Network in Spanish 1700 GMT 14 May 86

[Text] A preference for material consumption, without regard for production and financial aspects, is the negative tendency being manifested by the country's managing personnel, resulting in growing idle inventories. In a press conference, Minister President of the State Committee for Prices Arturo Guzman Pascual described the situation as follows:

[Begin Guzman recording] The fact is that we have twice as much of the minimum accumulated financial [resources] in the country. This is a burden for the economy because it cannot be assimilated. While production grows by 1 percent, inventories grow at a rate of 1.8 -- between 1.8 and 2 percent -- twice the rate of production. We are including in inventories all production surpluses and a large part of imports. [end recording]

To contribute to the final solution of the country's inventory surpluses, it has been reported that the central group agreed to create a work commission presided over by Minister Guzman Pascual.

[Begin Guzman recording] This group is submitting measures with specific datelines to demand the fulfillment of our agreements. Eventually, this effort will determine how far we have to go and what we have to do in each warehouse throughout the country. We will do this by reviewing everything that has to be done to reorganize current inventories, especially by submitting corrective actions in all types of planning, financial, and price measures to avoid future surpluses because they constitute an enormous burden for the national economy. [end recording]

However, according to the National Bank of Cuba, toward the end of March, 5 months after the National Bank and Finance Ministry's joint resolution on inventory reorganization went into effect, only 66 enterprises in the country had requested the corresponding inspection. No enterprise had made the request in the provinces of Sancti Spiritus, Santiago de Cuba, Guantanamo, and the special municipality Isle of Youth.

IMPACT OF HURRICANE ON SUGAR PRODUCTION NOTED

FL140241 Havana Television Service in Spanish 0000 GMT 14 May 86

[Text] The completion of sugar production goals in almost all the provinces that did not suffer the consequences of Hurricane Kate shows that the results today would be different if that natural phenomenon had not occurred. Pinar del Rio, Guantanamo, Granma, Holguin, and Las Tunas have completed their technical-economic plan for this sugar harvest and have made an extra effort to diminish the difficult situation of those sugar centers that will not meet their goals. The conditions arising from the hurricane which [destroyed] 70 percent of the sugarcane in 7 of the most productive sugar provinces, made it unlikely that the nation will meet its sugar production goal. As our Commander in Chief Fidel Castro said on 19 April, only the extraordinary effort of Cuban sugar workers has prevented this loss from being greater. The measures which were adopted in time to the areas affected by Hurricane Kate contributed to diminishing the degree of damage. While congratulating those workers who have met their goals and struggled to give a little more, we also recognize the effort, dedication, and tenacity of the men and women of the agricultural industry who have carried out the harvest under difficult conditions. It is right to indicate that many of them continue in the battle to produce sugar and attempt to harvest the planned amount of sugarcane.

MINISTER OF CULTURE PRESIDES OVER MEETING

FL141840 Havana Tele-Rebelde Network in Spanish 1100 GMT 14 May 86

[Text] Armando Hart Davalos, Politiburo member and minister of culture, has presided over a meeting that studied the joint work of educational centers and cultural institutions in Colon, Matanzas Province. The minister of culture said that in the past 5 years cultural institutions have grown and developed strongly, which constitutes important progress in that sector. He added that it is necessary to continue supporting the effort because, if it is not accompanied by the goal of continuous progress, it may begin to slip backwards.

POLITBURO MEMBER CAMACHO AT CTC MEETING

FL141814 Havana Television Service in Spanish 1700 GMT 14 May 86

[Text] A provincial trade union meeting was held today in Santiago de Cuba. This provincial assembly is the first to be held in Cuba. It is considered to be a new procedure recommended by the national committee of the Central Organization of Cuban Trade Unions [CTC] to channel up to the highest levels the labor concerns of work centers and personnel at the base level. Julio Camacho Aguilera, Politburo member and first secretary of the party provincial committee in Santiago de Cuba, presided over the meeting, in which problems prejudicial to economic activities were discussed.

VENEZUELAN AID TO CARIBBEAN INCREASES

FL121140 Bridgetown CANA in English 2257 GMT 10 May 86

[Text] Port-of-Spain, Trinidad, May 10, CANA -- This week's five-day official visit to Venezuela by Trinidad and Tobago Prime Minister George Chambers is the latest sign of deepening relations between the oil-rich South American republic and the English-speaking Caribbean.

Chambers May 3-7 trip -- on the heels of the conclusion of an important trade pact between Venezuela and closer neighbour Guyana -- climaxed a string of contacts between the two countries since his predecessor, the late Dr Eric Williams, warned of a Venezuelan recolonisation threat to the region. Venezuela President Jaime Lusinchi has been invited to pay a return visit to Port-of-Spain.

Many commonwealth Caribbean leaders, anxious to share in Venezuela's generosity, fuelled by its oil wealth, have played host to Venezuelan diplomatic and cultural missions. Some countries have actually benefitted from development assistance of one kind or another, not the least of which was that accruing from the San Jose accord, under which payment for oil imports from Venezuela by some Caribbean countries is credited, in part, as soft loans.

But each of the countries of the region has tended to fix its own priorities in their relations with their large Spanish-speaking neighbour to the south. Trinidad and Tobago's own priority appears to have centred largely on settling long standing differences with Venequela over fishing rights in adjoining waters. The two countries reached agreement on the question in November last year, but the accord did not become effective until this week when Chambers and Lusinchi exchanged notes implementing it. The final communique at the end of the visit referred to the pact, declaring: the prime minister and the president emphasised their particular satisfaction at the entry into force of the fishing agreement signed in Port-of-Spain in November 1985...

Differences in interpreting the maritime boundaries between the two countries have led to the frequent detention in the past of Trinidad and Tobago fishermen by the Venezuelan navy, and this has, in its turn, created problems for the Trinidad and Tobago Government in the fishing community here.

Another important provision of the agreement is its removal of visa requirements by both counaries. And President Lusinchi awarded his Trinidadian guest the Simon Bolivar Grand Cross -- Venezuela's highest decoration for foreign dignitaries, previously awarded to the late Dr Eric Williams, and more recently to Trinidad and Tobago Foreign Minister Errol Mahabir.

The next step in the relationship between the two countries now appears to be a meeting of a joint commission in June that will consider ways of strengthening ties between the two countries in areas such as trade, manufacturing, transport and tourism.

Chambers' visit to Venezuela was the second by a high-ranking Trinidad and Tobago government official in about three months. He was preceded in February by his foreign minister Errol Mahabir who spent three days in Caracas reviewing relations between the two countries with government leaders.

Less than a fortnight before Chambers' trip, Guyana and Venezuela, whose 87-year-old border controversy is currently engaging the attention of the United Nations secretary under the terms of a 1966 Geneva agreement, signed three economic agreements, including a barter deal through which the Venezuelans will supply the Guyanese with fuel and accept bauxite as payment. Asked to pay U.S. cash for oil shipments from Trinidad and Tobago because of accumulated debts of U.S. 200 million dollars, Guyana simply could not come up with the money and, as a shortage gripped the country, it was forced to resort to rationing, including restrictions on the opening hours of petrol stations. Venezuela will supply a significant portion of Guyan's oil requirements in exchange for Guyanese bauxite. Precise figures have not yet been published, but it is reported that the Venezuelans may supply up to 30 per cent of Guyana's oil needed in exchange for nearly 400,000 tonnes of bauxite this year, and a further 560,000 tonnes next year.

The accord was as significant economically, as it was politically. The oil shortage in Guyana had led to long queues at petrol stations by motorists trying to get their five-gallon quota of petrol and by housewives scurrying for kerosene, still an important cooking fuel here. Guyana, which has also extended an invitation to President Lusinchi to visit the country, had anxiously sought the oil-for-bauxite agreement.

With a 1,700-mile Caribbean coastline, Venezuela has been systematically working to improve its relations withthe English-speaking countries ofthe Caribbean and is today theonly Caribbean basin state with diplomatic missions in virtually all of the member countries of Caricom. Many of the poorer, smaller islands look to Caracas as a source of development assistance, particularly in areas where it is difficult to raise funds from traditional, or commercial lending sources. Grenada, for example, expects a renewal of a pact made between Caracas and the former People's Revolutionary Government for the construction of 100 low-income houses on the island. But much of the Venezuelan assistance which has been channelled into the region has flowed through the Barbados-based Caribbean Development Bank (CDB) of which Venezuela is a non-borrowing member.

The Venezuelans established a special trust fund which the CDB administrers and through which nearly U.S. 18 million dollars has been on-lent to borrowing members of the bank for projects ranging from agricultural and utilities development to manufacturing and hotel construction.

As one of three Latin American countries that are members of the CDB -- the others being Mexico and Colombia -- Venezuela was chosen as the venue for the bank's 16th annual board ofgovernors meeting (May 14-15)

President Lusinchi provided the last Miami conference on the Carribbean in November 1985 with the general framework that guides Venezuela's policy in co-operation with Caribbean countries. Venezela, he said, aims to promote closer ties with the diverse peoples of the region and to remove artificial divisions that others have imposed on us...To contribute to the identification and the ranking of the regional economic problems, and to participate in the solution of such problems...To contribute to the complete elimination of conflicts in a region in which so many diverse societies are attempting to assert their national identity. Our intention is to contribute to the easing of tensions, to the establishment of guarantees for political stability and, above all, to stop the Caribbean from becoming another area of East-West confrontation...

In this context, Venezuela's own effort as a member of the Contadora peace process for Central America finds support among Caricom governments, and Prime Minister Chambers chose the occasion of his meeting with President Lusinchi to reiterate his own country's endorsement of the Contadora group's initatives.

CARIBBEAN DEVELOPMENT BANK RELEASES ANNUAL REPORT

FL142314 Bridgetown CANA in English 1449 GMT 14 May 86

[Excerpts] Caracas, May 14, CANA -- The Barbados-based Caribbean Development Bank [CDB] today released its 1985 annual report here, reviewing what it said was a very challenging year for the economies of its borrowing member countries and assessing prospects in the near and medium-term. The 182-page report will be one of the principal agenda items for discussion at the sixteenth annual meeting of the CDB board of governors, beginning here today and lasting until tomorrow. The report asserted that in general, regional performance was largely determined by the performance of the international economy. Recovery in the global economy was sluggish in 1985 and had only negligible impact on the region, it noted.

Faced with this environment of virtual economic stagnation, the report added, regional governments found it difficult to provide the requisite counter-financing for development programmes and as a consequence, a number of otherwise viable projects had to be pulled out of the pipeline. CDB's past performance, therefore, was influenced more severely than in earlier years by the diminished absorptive capacity of the borrowing members. As a result, net loan approvals slid to U.S. 33.3 million dollars, their lowest level since 1978. The borrowers greater need of committed resources was reflected in higher disbursement figures -- U.S. 33.1 million dollars in 1985 or 11.4 per cent above the U.S. 29.7 million dollars disbursed in 1984.

The major development relating to CDB's financial operations during the year was the adoption and implementation of a number of policies which were designed to counteract the possible adverse effects of the economic and financial difficulties being faced by some of the borrowers. The report revealed the banks thinking that much yet remains to be done to accelerate the pace of regional development. In that regard, it said the CDB board of directors approved a proposal during the year that the staff of CDB should undertake urgently a review of the banks' role and financial policies in a medium-term perspective, in order to facilitate CDB in deciding on some critical outstanding policy issues and help to chart a course to [words indistinct].

BAHAMAS

CUBAN AMBASSADOR PRESENTS CREDENTIALS

FL142052 Nassau THE TRIBUNE in English 8 May 86, p 1

[Excerpt] Cuban ambassador Severino Mansur Jorge brought "very cordial greetings from President Fidel Castro" to the people of the Bahamas as he presented the credentials at government house this morning. Accompanied by his wife, Dr Mansur said he was honoured to present his credentials of accreditation as Cuban ambassador to the Bahamas. Today he began "the pleasant mission entrusted to me by my government." He pointed out that "Cuba and the Bahamas, beside the geographical nearness, share other similar interests, such as common ethnical and cultural roots, which contribute to the historical identification of our peoples and encourage us to work still further in the development of our diplomatic, commercial and cultural relations." He said he hoped to have the support of the governor and other Bahamian officials to help him fulfill his duties to attain "further strengthening of the links which bound our nations and governments, not only for the benefit of Cuba and the Bahamas, but also for the sake of a climate of peace, mutual respect and understanding in the Caribbean area."

BARBADOS

OPPOSITION DLP PRESENTS ELECTORAL CANDIDATES

FL141743 Bridgetown CANA in English 1702 GMT 14 May 86

[By Reudon Eversley]

[Text] Bridgetown, Barbados, May 14, CANA -- To the cheers of thousands of supporters, the opposition Democratic Labour Party (DLP), last night formally presented its candidates for general elections in two weeks time.

We will win, declared meeting chairman and DLP strategist, Cameron Tudor, a former deputy prime minister, before the candidates for each of the 27 constituencies came on stage. The line-up includes former West Indies fast bowler Wes Hall, making his second outing at the polls, two women, three trade unionists, two doctors, seven lawyers, two salesmen, a pharmacist, and an educator.

Former health minister Dr Don Blackman, who broke with the ruling Barbados Labour Party (BLPO) and joined the DLP a week ago, was again the crowd pleaser as he continued to attack the policies of the BLP administration and urged its removal. Since Blackman made his debut on the DLP platform Sunday night, breaking a virtual two-year silence, huge crowds have been converging at DLP public meetings to hear him speak.

The BLP plans to present its candidates at a public meeting scheduled for Sunday night, also in Bridgetown, as campaigning heightens in the run-up to polling following nomination day yesterday. Political sources told CANA today the manifestos of both the BLP and DLP should be out by weekend.

The Marxist Worker's Party (WPB), contesting elections for the first time since its formation a year ago, is fielding one candidate. There are six independents, including the ex-campaign manager of a BLP candidate who has decided to oppose him.

Both parties have been taking out ads daily in both newspapers, highlighting their plans and achievements, with the BLP out front in number. In THE NATION today, for example, there are six BLP ads compared with two for the DLP. One of BLP ads hit back at defector Blackman by highlighting a 1981 newspaper report quoting him as saying despotism would return to Barbados if the DLP was returned to office.

JAMAICA

PRIME MINISTER SEAGA CLOSES BUDGET DEBATE

FL142035 Bridgetown CANA in English 1816 GMT 14 May 86

[Text] Kingston, Jamaica, May 14, CANA -- Prime Minister Edward Seaga said last night that the prospect of cheaper oil and improved earnings from bauxite/alumina held the key to Jamaica's economic growth over the next three to four years. In his closing remarks on the budget debate for 1986-87, Seaga told parliament that the government has already acted to lock up three years supply of oil at cheaper prices on the spot market. He also said the bauxite mining industry, once Jamaica's top revenue earner until it was hit by a world recession several years ago, was also making a strong comeback. Alcoa, which closed its bauxite operations in Jamaica last year, is considering a return to resume mining operations in a joint venture with the government, he said.

A sharp drop in world oil prices this year produced a 300 million dollars windfall which Seaga announced last week in his opening budget remarks, would be passed on to the people in a sweeping series of actions to stimulate the economy.

But Seaga stressed that his new programme of economic initiatives was not the result of the unexpected drop in oil prices but was rather a budget planned and executed three years ago in accordance with austerity measures required by the International Monetary Fund (IMF) and the World Bank.

Seaga acknowledged the difficulties of a structural adjustment programme and the belt-tightening that was required saying, that in the final analysis the most difficult of all tasks of restructuring has been to change attitudes. That is where the real restructuring still remains.

In reiterating the new programme of economic initiatives announced last week, Seaga said tourism, now the island's leading foreign exchange earner, showed a nine percent increase in the number of visitors for the first quarter of 1986, He added that a considerable increase in the promoting and advertising budget for tourism should boost the entire industry as well as help the smaller hotels.

Seaga also referred briefly to the comprehensive reduction in basic food prices and electricity and fertiliser costs, all of which he said, will give a considerable boost to an economy that has been stunted by price increases over the past several years.

The new budget moves which resulted in a record 1.05 billion budget. [sentence as received]

To boost the manufacturing sector to attract foreign investment, Seaga announced nearly two million square feet of construction of factory space at a cost of 168 million with a potential employment content of 21,000. Seaga also announced the licensing of a teleport, a facility dedicated to the processing of high speed telecommunication data. The teleport, the first in the Caribbean, will be located in Montego Bay, and will offer firms with high volume data communications, a place to process the data where the labour cost is cheaper The emergence of the data processing industry in Jamaica has been strong over the past several years. Seaga said the vast potential in the telecommunications field encouraged the government to recently conclude negotiations with a joint American-Japanese investment group to establish a teleport here.

In closing, Seaga urged the people to be mindful of the task that yet remains to be done in the intangible areas of our attitudes and values ... to face the next test of creating a nation strong in purpose enduring in effort, and proud to face the world as a people of deeper inner strength and a greater self-worth.

MIRROR RAPS GOVERNMENT FOR JOINING IIC

FL121152 Bridgetown CANA in English 2300 GMT 10 May 86

[Text] Georgetown, Guyana, May 10, CANA -- Guyana has joined the recently formed 34-member Inter-American Investment Corporation, an affiliate of the Inter-American Development Bank, the opposition MIRROR newspaper has reported.

The paper, which reflects the views of the Marxist-Leninist People's Progressive Party (PPP), charged that government had not consulted the nation about its involvement in the corporation. It said the majority of the members were from the Americas with the United States having 25.5 per cent of the shares of the corporation, which has an initial capital stock of U.S. 200 million dollars.

According to the corporation's objectives, emphasis in Guyana and other countries will be placed on encouraging, expanding and modernising small and medium private enterprises, the MIRROR said. The weekly paper said there was no scope for public sector involvement.

The Guyana Government has never consulted the nation about its involvement in the IIC. The matter was never brought before the National Assembly where only recently the nation's ailing economy was discussed during the 1986 budget debate, the paper said.

CHINESE TRADE DELEGATION MEETS WITH OFFICIALS

FL141730 Bridgetown CANA in English 1548 GMT 14 May 86

[Text] Georgetown, Guyana, May 14, CANA -- Guyanese and Chinese officials have expressed the desire to increase trade and other forms of collaboration between the two countries, officials said.

A Chinese delegation led by Lu Xwejian, vice minister of the ministry of foreign economic relations and trade met yesterday with a Guyanese team headed by Trade Minister Winston Murray. Discussions yesterday touched on the identification of areas for possible increase in trade. Areas looked at included cotton, timber, and supply of manufactured products from China, official sources said.

Murray referred to areas for of current co-operation between Guyana and China, including a duck farm, and a textile mill.

TRADE EXPANDED WITH VENEZUELA, BRAZIL

FL031502 Bonaire Trans World Radio in English 1130 GMT 3 May 86

[Text] Guyana is expanding its trade relations with Venezuela and Brazil. The Guyanese Government has reactivated the line of credit which Guyana formerly enjoyed with Venezuela. The $1.2 million line of credit is to be increased this October. Meanwhile, a Brazilian team is in Georgetown for talks on economic cooperation between Brazil and Guyana.

HERRENBERG DENIES ACTION AGAINST DUTCH POLITICIANS

FL091924 Paramaribo International Service in English 1800 GMT 9 May 86

[Text] Mr Herrenberg of foreign affairs last Tuesday told Dutch Ambassador van Houten that it is definitely not true that the Surinamese Government is considering action against prominent politicians in Holland. The Dutch press recently spread this information which came from the Dutch security police. Herrenberg requested the Dutch ambassador inform the Dutch Government about the Surinamese Government's indignation.

BOUTERSE ASKS PARTIES TO PARTICIPATE IN COUNCIL

FL091848 Paramaribo International Service in English 1800 GMT 8 May 86

[Text] Leader of the Revolution Commander Desi Bouterse last Wednesday requested the political parties NPS [Suriname National Party], VHP [Progressive Reform Party], and KTPI [Indonesian Peasants' Party] to fully participate in the top deliberating council. This council is the highest political origan n our country. The VHP, NPS, and KTPI only partially participate in the subdeliberating council.

These parties and the military authoritites conducted a dialogue last year which resulted in the signing of a political accord on November 23. Because of the importance which it attached to the dialogue, the military authority, the labor movement, and trade and industry requested the political parties to fully participate in the top deliberating council. The council is of the opinion that the political parties current participation is not beneficial to the political accord.

DEVELOPMENT PROJECT PACT SIGNED WITH EC

FL142200 Paramaribo International Service in English 1800 GMT 14 May 6

[Text] Yesterday a Surinamese delegation and a delegation of the European Community signed an indicative [as heard] program n which 55 to 60 million guilders, about 30 million U.S. dollars, were allocated for development projects. The money will be invested in productive sectorts in order to improve our economic and social development. Apart from the 60 million, Suriname also spent a 40 millio loan from the European Investment Bank. This allowance will be invested in the mining sector and in the energy, industrial, and agroindustrial sector. Minister FongPoen of transport, trade, and industry and Prime Minister Udenhout signed the indicative program for Suriname while Mr's (Housewood) and (Ainswood) signed for the European delegation.

FOREIGN RESERVES DROP TO 60 MILLION GUILDERS

FL022016 Bridgetown CANA in English 1950 GMT 2 May 86

[Text] Paramaribo, Suriname, May 2, CANA -- Suriname's foreign reserves have fallen to 60 million guilders (one U.S. dollar: 1.75 guilders) from 420 million in 1982 amid a worsening economic crisis, the government announced.

A release from the national information service blamed the sharp decline on the decision of the Netherlands to suspend a U.S. 100 million dollar development aid package to protest the December 1982 execution of 15 opposition leaders by the military government here. The Dutch aid paakage for its former dependence was used to finance major capital projects. The government had since taken on this responsibility and in the process had used up 500 million guilders, the release said.